



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Defence Staff College, Weston Creek**

FRIDAY, 11 JUNE 1999

CANBERRA

BY AUTHORITY OF THE PARLIAMENT

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**JOINT COMMITTEE ON PUBLIC WORKS**

**Friday, 11 June 1999**

**Members:** Mrs Moylan (*Chair*), Mrs Crosio (*Vice-Chair*), Senators Calvert, Ferguson and Murphy and Mr Forrest, Mr Hollis, Mr Lindsay and Mr Ripoll

**Senators and members in attendance:** Senator Murphy and Mr Forrest and Mr Hollis

**Terms of reference for the inquiry:**

Staff Colleges Collocation Project, Weston Creek, ACT

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**Committee met at 11.03 a.m.**

**ACTING CHAIR (Mr Forrest)**—I declare open this public hearing into the proposed Staff Colleges Collocation Project, Weston Creek, Australian Capital Territory. This project was referred to the Public Works Committee for consideration and report to parliament by the House of Representatives on 30 March 1999 at an estimated out-turn cost of \$28 million. In accordance with subsection 17(3) of the Public Works Committee Act 1969, in considering and reporting on a public work, the committee shall have regard to:

- (a) the stated purpose of the work and its suitability for that purpose;
- (b) the necessity for, or the advisability of, carrying out the work;
- (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
- (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and,
- (e) the present and prospective public value of the work.

This morning the committee undertook an inspection of the existing facilities at Weston and the sites proposed for various elements of the proposal. Today the committee will hear evidence from the Department of Defence, the Borough of Queenscliffe, the National Capital Authority and the Master Builders Association of the ACT. I now call representatives of the Department of Defence who will be sworn in by the assistant secretary.

[11.05 a.m.]

**BAIN, Mr Ross Kenneth, Assistant Secretary Property Management, Department of Defence**

**BIRRER, Air Commodore Ken, Acting Head Joint Education and Training, Department of Defence**

**KELLY, Brigadier Garry Ross, Director General Project Delivery, Department of Defence**

**ROSS, Mr William, Project Manager and Superintendent, Department of Defence**

**WHITE, Colonel Neville John, Director Project Delivery, Department of Defence**

**ACTING CHAIR**—The committee has received a submission from the Department of Defence dated April 1999. Do you wish to propose any amendment?

**Brig. Kelly**—No.

**ACTING CHAIR**—It is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*The submission read as follows—*

**ACTING CHAIR**—Would a representative of the Department of Defence now read the summary statement before we proceed with questions.

**Brig. Kelly**—Mr Chair, this proposal seeks approval to develop facilities at Weston Creek, ACT, to collocate the single services' staff colleges onto a single site. Each of the single services presently has its own staff college to provide professional education for its middle level officers. The Navy college is at HMAS *Penguin*, Sydney; the Army college is at Fort Queenscliff, Victoria; and the Air Force college is at RAAF Fairbairn, ACT. Each college is largely autonomous, with very little sharing of course material. Facilities in most cases are ageing and in need of replacement, with the RAAF college also in need of relocation with the recent sale of RAAF Fairbairn.

In the conduct of the Defence Efficiency Review, it became apparent that the joint and common material in the staff college courses could comprise as much as 70 per cent of a service college syllabus. Therefore, it was clear that some significant savings in operating costs could be achieved with collocation, in excess of \$2 million per annum and possibly to \$4 million per annum depending on final staffing levels. Further, collocation would provide the opportunity to further strengthen the joint culture in the Australian Defence Force. Thus collocation can realise benefits in both costs and capability.

To further enhance integration within the Defence Organisation, the Defence Management Diploma Program, which is to the civilian officer what the staff colleges are to the military officer, will comprise part of this proposal. The more complete integration of military and civilian personnel promotes the best possible synergy in effective use of the total Defence resource. Graduates of the new course, the Australian Command and Staff Course, will also benefit by being more widely employable within the Defence Organisation.

Recent rationalisation of two colleges at Weston Creek for the more senior military and civilian officers led to the establishment of the Australian Defence College last January. This has released development space within the Weston Creek precinct, which would be appropriate for use for the collocation project. The Weston Creek area would become the primary location for formal career development of all middle to senior level military and civilian officers. The Canberra location also permits access to a significant military and academic resource to support the collocated staff college curriculum. With substantial Defence employment in Canberra, it will also lessen the frequency of removals, so reducing the potential for family disruption.

Collocation here in Canberra will permit release of the Fort Queenscliff facilities. The government has agreed to the transfer of Fort Queenscliff to the Victorian government as a Federation Fund initiative. Defence is assisting in putting in place an extensive consultation program in regard to the future of the property. The project is cost capped at an out-turn price of \$28 million, December 1998 prices. If the project is approved, it is intended that the works will be complete in time for the January 2001 student intake. This early completion facilitates capture of cost and capability benefits as soon as practicable. That completes my opening statement, Mr Chairman.

**ACTING CHAIR**—Thank you, Brigadier. The committee is charged with the responsibility from the parliament to scrutinise the spending of taxpayers' money. We will

be asking questions that relate to money but we are aware that there are certain break-ups of the cost estimate that quite necessarily are required not to be aired publicly to allow a tender process beyond here.

I would like to kick off by saying that the concept of co-location is well accepted and has been the subject of other parliamentary inquiries. The issue is: why Weston Creek? Given that three other sites have been considered and for different reasons not been accepted as appropriate for this particular facility, I would like to quickly refer to those reasons. I know we cannot revisit Fairbairn because I understand it has been recently sold. I would like to know on behalf of taxpayers how much it was sold for and to whom. In regard to HMAS *Penguin*, I would like you to lead the committee through in a lot more detail why that is not considered suitable for this particular facility and also the same for Queenscliff. If we start with Fairbairn, what was that facility sold for?

**Mr Bain**—The facility at Canberra airport was sold to Canberra International Airport for a sum of \$66½ million of which Defence's share was \$21.5 million for Fairbairn.

**ACTING CHAIR**—What about HMAS *Penguin*? I have read the argument in the submission and I am unconvinced. Why is *Penguin* not a suitable site to locate this facility?

**Brig. Kelly**—The current facility at HMAS *Penguin* is quite a cramped facility. It is likely that we will continue to rationalise our properties in the Sydney Harbour foreshores area, so the future in the medium term is uncertain. But, in any case, the area is quite cramped. It is an ageing facility. It would take a significant investment to create the facilities required for this college. But I have severe doubts they would fit onto that site.

**ACTING CHAIR**—Was some work done to establish an estimate?

**Brig. Kelly**—Several years back it was looked at, and the outcome was so apparent that it has not been seriously looked at since. It is just a given, along with Fairbairn, that it is not suitable.

**ACTING CHAIR**—A huge amount of capital investment has occurred on that site, and you must have some idea what that is worth or its potential value if it is an option to sell that site in the future. What asset does that represent to Australian taxpayers?

**Brig. Kelly**—I cannot specifically answer what we would value it as, and we have made no certain commitment as to the future of that site.

**ACTING CHAIR**—We are being asked to commit \$28 million to a new site. We have some revenue out of Fairbairn. But the same question applies to Queenscliff. I have never been to *Penguin* but I am familiar with Queenscliff in Victoria, which is a site that I have seen. My view would be that, with the concept of giving away what is a large capital investment to Australian taxpayers, you must have some idea of what it represents.

**Mr Bain**—If you are asking what the value is if we sell off the property or gain a return from it—being a Sydney Harbour foreshore property any substantial development raises particular sensitivities. The site is configured at the moment for a hospital, the Navy



decompression chamber and accommodation for Navy personnel in Sydney. The configuration of the site would not lend itself at all to any substantial development. It is fairly well developed now.

**ACTING CHAIR**—Will any of those facilities that you have described have an ongoing use?

**Mr Bain**—Yes, the accommodation facilities and the decompression facilities.

**ACTING CHAIR**—Even with the proposal to gift it to the Victorian government?

**Mr Bain**—Sorry, this is HMAS *Penguin*—

**ACTING CHAIR**—I am sorry, I had switched to Queenscliff.

**Mr Bain**—There is no intention at the moment to dispose of *Penguin*. There are activities that will be ongoing there.

**ACTING CHAIR**—So there will be an ongoing use. I am sorry, I had switched on to Queenscliff. I recall buildings on Queenscliff that would not be a decade old.

**Col. White**—In the assessments that were undertaken at Queenscliff, we assumed that the residual benefit of those reasonably new buildings would be about \$10 million, and that was taken into account when we were looking at the business case for Queenscliff versus Weston. After taking that into account, the lower operating cost by being at Weston still gave a slightly more favourable benefit on a business case side to Weston, leaving the qualitative issues aside. About \$10 million was assumed to be the residual value of the buildings left at Queenscliff.

**ACTING CHAIR**—You made reference to reduced costs for operating at Weston. I noticed that there is this statement in paragraph 25 of your submission:

It has been estimated on a net present value basis that over 15 years, Weston would save over \$11m more than Queenscliff.

I am wondering how the rationale for that estimate is established.

**Col. White**—It was taken over 15 years because that is about the time when a mid-life upgrade would be due in either facility. It is also the time when there would be the next major hit on investment to upgrade the heritage assets at Queenscliff. The assessment was made on initial outlay, which took into account the fact that the buildings at Queenscliff had about \$10 million residual benefit but we would forfeit \$6 million or \$7 million in non-sale or non-removal of the Queenscliff assets. Annual cost works out at about \$1 million to \$1½ million per year in favour of Weston Creek. Then, taking the 15-year point for the mid-life upgrade of facilities and the reinvestment in heritage assets, it works out to about that amount on a discount basis of the net present value.

**ACTING CHAIR**—Brigadier, could you take on notice the provision of a break-up of the study that has established that \$11 million?

**Brig. Kelly**—Certainly, Mr Chairman.

**ACTING CHAIR**—I am not expecting you to supply it today but I am interested in the argument. Is there any component in that figure which is in an operational sense the cost of travelling and shifting lecturers?

**Col. White**—The estimate that was provided by the consultant indicated that the recurrent costs at Weston were in the order of \$7.9 million but at Queenscliff they would be about \$9.2 million. So the annual saving was \$1.3 million based on those estimates. So it was not the initial outlay that was the deciding factor; it was the through life cost that made Weston the favourable decision just on a business case basis, leaving aside qualitative factors.

**ACTING CHAIR**—Why does Queenscliff cost an extra \$1.3 million?

**Col. White**—There are financial benefits gained in Canberra with back-to-back postings, for example, and certain manpower savings because they can draw on the wider population base and support base in Canberra. Just on those two factors, we would need to have a higher support base at Queenscliff because of the smaller population and we would need to have an increased removals cost by putting everybody down into Queenscliff each year rather than at a more central place; in other words, there are fewer opportunities for back-to-back postings at Queenscliff. That is not the case here in Canberra.

**ACTING CHAIR**—The officers that do the training—they do not all live in Canberra though; they must come from all over Australia?

**Brig. Kelly**—They do, but, because there are so many Defence people posted to Canberra, it is estimated that at the moment about 50 per cent of the people going to Queenscliff would have had a back-to-back posting if it had been in Canberra in lieu. That is, we would have saved 50 per cent of our postings. That becomes substantial from the point of view of not only saving money but also family disruption. In recent years we have had an increasing number of people declining to go to staff college at Queenscliff because of the disruption that a one-year posting has on spouse employment, which is becoming increasingly important, and on children's education.

**ACTING CHAIR**—But these are mid-level officers who hope to one day be a brigadier, a general, an air commander or whatever—

**Brig. Kelly**—That is correct.

**ACTING CHAIR**—Surely they would consider it beneficial to their future career to make that sort of sacrifice?

**Brig. Kelly**—They do. But, increasingly, people are making wider judgments about their family life, and in particular spouse employment. I understand that in recent years the Army

Staff College has worked its way completely through the reserve list and into next year's list to get people to go there. That situation should not arise in Canberra if we can get some 50 per cent with back-to-back postings. That is, substantial numbers of people going to staff college either will be here before that posting or will be posted here after the training, and in many circumstances perhaps they will have postings here both before and after the year of staff college training.

**ACTING CHAIR**—I notice that a proportion of overseas officers will be coming through the facility. It would not bother them if they are in Queenscliff, Sydney or Canberra; so I cannot see that argument as applying to them.

**Brig. Kelly**—I suspect it is not a substantial issue, but there are perhaps some intangibles in terms of their having better support from their embassies and high commissions in the Canberra area.

**Air Cdre Birrer**—It is certainly a factor for the overseas students to see they have support from the embassy staff. There is usually a circle of people from their own countries here. Additionally, they have the support of their more senior colleagues who may be at the Australian Defence College on the defence staff course or the defence and strategic studies course.

**ACTING CHAIR**—I do not want to hog all the questions, colleagues, so just butt in if you want to pursue any of these issues I am raising. The other thing I was not aware of until the inspection this morning was the fact that this facility does not have on-site accommodation. Perhaps it is a misunderstanding I had that part of the bonding and character building of officers at that level would be living together in that environment and getting to know each other. Perhaps it is more a curriculum style question but I am wondering why that would not be considered important. Moving to a site like Point Lonsdale offers accommodation for living together, getting to know each other better and understanding each other, which I gather is something that co-location is trying to achieve for future benefit, so why isn't accommodation considered important in that sense?

**Air Cdre Birrer**—The large majority of the people who will do the course will be married with families. While there are some certain advantages that you have already addressed in people living together for an extended period, we think we can get much the same sort of benefits by having them there for the course proper. There are a large number of exercises and syndicate discussions and so on where they will be brought together in very close proximity. Plus there are visits, exercises up at ADFWC and so on. So there are plenty of opportunities to build those closer links. I think the disadvantage of bringing them into a living-in accommodation situation when most of them are married with families would outweigh the benefits of moving to that step. That comes back to the point that Garry made about people weighing up the wider benefits of participation in these courses with some of their family responsibilities.

**ACTING CHAIR**—Does the curriculum contain any sort of facility to encourage that closer link—a week together on exercise or something like that?

**Air Cdre Birrer**—Certainly they will have that. There will be visits to relevant defence establishments. As we mentioned this morning, the final joint operations exercise is a week away at ADFWC. But within the course itself there will be periods when they will run exercises that will go on for quite some time. We will actually push the people together in mixtures so that they get the benefit of the integrated experience. There will be plenty of opportunities for that.

**Mr HOLLIS**—As I understand it, the intake will be mainly Army. What proportion of the intake would be Army in relation to RAAF and Navy?

**Air Cdre Birrer**—Currently we would expect to have about 80 from Army, about 48 from Air Force and about 35 from Navy. We would also have 12 to 15 civilians from the defence management diploma program. Those figures are based on the current populations of the three staff colleges and also includes the overseas students. In the Army total of about 82 currently there are about 20 overseas students included.

**Mr HOLLIS**—How this is different from the Defence Force Academy?

**Air Cdre Birrer**—With the Defence Force Academy, its reason for being is to provide undergraduate education. What we are looking at here is professional military education, which to us is the same as postgraduate education. At the defence academy we are seeking to create a culture that is a blend of both military and academic components. The military component consists of socialising very young people in most cases to the culture of the Defence Force and to their own single service cultures. So it has a different environment, a different atmosphere, from that which you would seek to create at a postgraduate campus like Weston Creek.

**Mr HOLLIS**—Do they do any postgraduate courses at the Defence Force Academy or is it purely an undergraduate facility?

**Air Cdre Birrer**—Its reason for being is an undergraduate facility, but there are postgraduate students from Russell, for example, who do some postgraduate work in strategic studies, defence studies and so on.

**Mr HOLLIS**—Who made the decision to gift Queenscliff to the Victorian government—the Prime Minister?

**Mr Bain**—The cabinet.

**Mr HOLLIS**—It was a cabinet decision?

**Mr Bain**—Yes.

**Mr HOLLIS**—How much consultation was there with the Borough of Queenscliffe?

**Mr Bain**—Discussions and correspondence started with the Borough of Queenscliffe in July 1997. There has been correspondence since that time. There has been one discussion in May 1998, I think, between the former Minister for Defence and the local council.

**Mr HOLLIS**—Is there any idea what it is going to be used for?

**Mr Bain**—No; the process has started where we need to involve all the interested stakeholders, the council and the state government but, ultimately, it will be up to the Victorian government to lead the decision on the outcome. There has been some initial interest in the site. But we have essentially just started that process and we have the next 18 months to go through that.

**Mr HOLLIS**—Has there been any discussion or thought about ongoing costs or is that going to be up to the Victorian government?

**Mr Bain**—That will be a matter for the Victorian government.

**Mr HOLLIS**—What if the Victorian government say they do not want it?

**Mr Bain**—I am not aware of that.

**Mr HOLLIS**—No, what if they did say—

**Mr Bain**—I beg your pardon. We are confident that it is a good facility and that we will find a future use.

**ACTING CHAIR**—How much of the site is going to be gifted? I understand there is an accommodation facility at Crows Nest which is not in the same section; is that right?

**Mr Bain**—That is correct. It is physically separated from Fort Queenscliff. Crows Nest is a support facility. It is the way that we have perhaps done business in the past where we would now normally outsource a lot of those functions. You do not need Crows Nest to operate Fort Queenscliff. We would dispose of that separately.

**Mr HOLLIS**—We currently have the RAAF training college—at Point Cook, isn't it? Where do the Navy people train at the moment?

**Air Cdre Birrer**—HMAS *Creswell*.

**Mr HOLLIS**—What is going to happen to *Creswell*? are you going to give that to the New South Wales government?

**Brig. Kelly**—There is no indication that we will not have a long-term use of *Creswell*, as far as I am aware.

**Mr HOLLIS**—But if the main argument here is that you are going to amalgamate all the training—and you have told us how RAAF Fairbairn is sold and you cannot have that—

**Brig. Kelly**—That is a different level of training. That is initial commissioning training.

**Mr HOLLIS**—How many levels of training do we have? What is going to happen to *Creswell*? If you take the training out of *Creswell*, what are you going to keep *Creswell* for—a retirement village?

**Air Cdre Birrer**—Just to correct perhaps the impression I may have given during my initial briefing at Weston Creek, I went through the officer training continuum just to emphasise that it was a continuum and where our students came from over the period of their service. But, in fact, because not all of our officers come in through ADFA—only a proportion come in through ADFA and the amount of that proportion varies by service—there will always be a number of direct entry officers recruited. They may come in with tertiary education directly into the service or they may come in as serving other ranks who are commissioned and then go and do an officer entry course. Those people will continue to come in via the three initial entry colleges of the services. They are RAAF college, which is currently at Point Cook but is destined to move; the Royal Military College at Duntroon; and the RAN college at *Creswell*.

**Mr HOLLIS**—So we are going to keep those three colleges; we are going to have the Defence Force Academy; and we are going to have this special other college. How many other educational facilities does the Defence Force have?

**Air Cdre Birrer**—There are different levels. There are training institutions in addition to the ones we are talking about here—

**Mr HOLLIS**—One of the motivating factors for this is the report that was done by the Joint Standing Committee on Foreign Affairs, Defence and Trade which said that the whole training should be amalgamated or words to that effect. One of the issues that has been pushed to us very strongly is the cost-benefit of having everything co-located here. But it almost seems to me as though on top of the existing facilities we are just going to put a new facility. We are going to have an awfully well trained Defence Force.

**Air Cdre Birrer**—We think that is one of our strengths, of course; we are looking to create the knowledge edge, and that will be the competitive advantage of the ADF. But coming back to your point, one recommendation from the DER which was not accepted was to have a single precommissioning college rather than the three we just talked about—RAN college, RAAF college and the Royal Military College—and that was not accepted. So those three institutions are remaining, but they cater for a different group of people that we seek to attract into the Defence Force. It is critical that we cater for those different groups—some of whom wish to go to ADFA to do their tertiary training; others wish to come in with their training already in place.

**Mr HOLLIS**—Air Commodore, what do you mean by ‘knowledge edge’?

**Air Cdre Birrer**—Knowledge edge?

**Mr HOLLIS**—Yes, I thought the defence forces were just trained to prosecute war. You do not need a PhD to do that, do you?

**Air Cdre Birrer**—We are not talking about a PhD. What we are talking about for the knowledge edge is creating an institution with systems—such as intelligence systems, surveillance systems and so on—to enable you to understand the battle space and to understand what is going on in the other enemy and hopefully their intentions so that you understand well ahead of them but also have the knowledge to take good decisions, which requires good people at all levels of the organisation, in a time that gets inside the opposition's decision cycle. So you control the pace of whatever conflict it is you are involved in. That can be important in terms of meeting not only war fighting but also non-war fighting operations where you may seek to restore a situation where humanitarian aid is required. We believe the knowledge edge is not just systems in terms of electronic systems and war fighting systems but is the people who probably are the key to realising the advantages of those systems.

**ACTING CHAIR**—I am getting a bit confused about all the facilities around the nation. You told us about Headquarters Australian Theatre—

**Brig. Kelly**—That is not a training or educational facility; it is an operational command and control.

**ACTING CHAIR**—That is an operational facility, and it is in Sydney. HMAS *Penguin* is in Sydney. I was wondering why there could not be some benefits with those being closer. I wanted to add on to the list that Mr Hollis has mentioned that there is a joint warfare training facility at RAAF base Williamtown. How does that all fit into the overall picture?

**Air Cdre Birrer**—Firstly, to address the Headquarters Australian Theatre, it is a fairly recent innovation over the last couple of years to address the operational level of war. It is concerned with the planning of campaigns. Historically, the Australian Defence Force has not been involved in campaign plans—we have been more a participant in somebody else's plan—but it is an important innovation and something we need to be very skilful at to be successful. Headquarters Australian Theatre has almost nothing in common with the Australian command and staff course, except we rely upon people with that joint operations knowledge and the background from that course to be able to carry out the task successfully. It really does not have anything to do with education, in a sense. The Williamtown establishment—

**ACTING CHAIR**—Before you get on to that, my point was its proximity to HMAS *Penguin*, and it is an operational facility with the sort of people who do real life exercises. Why isn't that an advantage that would make *Penguin* a site for this facility we are talking about today?

**Air Cdre Birrer**—Headquarters AST is quite a small headquarters. It is involved with the day-to-day operations being conducted by the ADF right now as well as the planning of operations in the future. The sort of interaction you are talking about we plan to actually have in the course, but it will be with the Australian Defence Warfare Centre where they have the systems set up so we can actually run a joint exercise where people role-play as they would in a real headquarters. We will be doing that with the Australian Defence Warfare Centre.

I should perhaps continue by saying that the charter of the Defence Warfare Centre is to carry out those short courses of training—not education, but training—which equip people to go to a specific job. It could be a one-week course or a two-week course—of that order—but it is very direct training. It is not that education that gives people much more of the bigger picture and provides the context for much of their work.

**ACTING CHAIR**—But how far away is it from *Penguin*?

**Air Cdre Birrer**—ADFWC?

**ACTING CHAIR**—Yes. It is in the same city and it is handy.

**Air Cdre Birrer**—No, the Australian Defence Warfare Centre is at Williamstown, near Newcastle. Headquarters AST is at Potts Point in Sydney.

**ACTING CHAIR**—Potts Point and *Penguin*—how far apart are they?

**Brig. Kelly**—About five kilometres.

**ACTING CHAIR**—If someone was posted to Sydney they could attend a 40-week course in this facility that you are proposing. If it was located at *Penguin* there are advantages to being reasonably close to an operating facility where there would be some professional support to assist them in their training, I would think.

**Air Cdre Birrer**—You would not have some of the key things there. You would not have, firstly, access to the wider posting base—that is, before course and after course—that was referred to before. In other words, in Canberra there are many more jobs than in Sydney which they could come from and go to afterwards, so we would expect to get many more back-to-back postings.

**Mr HOLLIS**—I want to interrupt there. Isn't that a bit of a false argument? Doesn't Defence move anyway every two years? Are you just telling me they will move around Canberra every two years? Every Defence person I have spoken to, especially when we deal with Defence housing, always says how important it is because every two years they move from Townsville to Darwin to Melbourne. You are telling us that all that happens when Defence get a posting every two years is that they have a posting in one part of Canberra, they go to this college for a year and then they get another posting in another part of Canberra. That must have changed dramatically.

**Brig. Kelly**—That is not what we are trying to portray. What we saying is that there are a large number of people at that stage of their career who are posted to staff appointments in Canberra.

**Mr HOLLIS**—Russell?

**Brig. Kelly**—That is correct. Many of those appointments require graduation from this staff college.



**Mr HOLLIS**—Yes, but what proportion of the senior officers of the defence forces are based in Russell in comparison to those based all around Australia?

**Brig. Kelly**—I cannot answer that.

**Mr HOLLIS**—Why did you say that then? One of the main cases you people are putting to us—and you may be right; I do not know—for the location of this college at Weston is this back-to-back appointment. It seems to me, and you have stressed this a lot this morning, that all the senior officers are in one wing of Russell. They go off to this college for 12 months and they come back and go into another wing of Russell. I reckon what you would find with these people who are up in Darwin is they want to get out of it and so they come down here for a year and then they are posted to Townsville or Perth or somewhere.

**Brig. Kelly**—That does occur with a large number of them. What we are saying is that about 50 per cent of those currently going to the Army staff college at Queenscliff are posted, either before or after, to Canberra.

**Mr HOLLIS**—Have you got figures to back that up?

**Brig. Kelly**—Yes, we do. We are trying to avoid reinforcing the number of people in Sydney because of the personnel costs there. In particular, the subsidy for housing in Sydney compared to places like Townsville, Brisbane or Canberra is about \$10,000 per person. So Army in particular, because it is not tied to ports or airports as the Navy or Air Force are, has been moving away from the centre of Sydney. We would not want to go back in and reinforce that situation.

**Mr HOLLIS**—Mr Forrest is pulling for Sydney, not me.

**ACTING CHAIR**—I am trying to get some answers that taxpayers have a right to ask: is their money being invested properly? That is the point I am trying to get answered. I am just getting confused about all these joint facilities—

**Brig. Kelly**—There are a number of facilities. Mr Hollis raised the issue of the subcommittee report, the Price report. The proposal that is being put to the committee today is specifically in response to, and satisfies the requirements of, both the recommendations of the Price report and the recommendations of the DER.

The Price report did make recommendations on things like the Australian Defence Force Academy but they were not specifically linked to this level of education. Both the Price report and the DER recommended that the three staff colleges be collocated or integrated. The Price report specifically suggested Canberra, and I believe the DER suggested that Canberra was a likely option. So this proposal is specifically in response to those two very important studies.

**ACTING CHAIR**—Before I hand over to Senator Murphy, you were about to answer the question about RAAF Base Williamstown. What is its current role, and what is its future?

**Mr Bain**—Williamtown is the tactical fighter base and it will be the new base for the AEW&C aircraft. It has a long-term future.

**ACTING CHAIR**—But it is a joint warfare facility, isn't it?

**Air Cdre Birrer**—The joint warfare facility there is tasked with support of the Commander Australian Theatre, the man that runs Headquarters Australian Theatre in Sydney. It is tasked with providing training, doctrine, exercises and war gaming, all those things that directly support the operational role of Headquarters Australian Theatre. It has not got a role in what I would call professional military education. It provides short training courses to meet its role.

**Senator MURPHY**—I have a question with regard to your budget, if I can go to that, unless Mr Hollis wants to pursue other things. I have got questions on the budget and a couple of issues relating to the construction. If you want to keep pursuing other matters—

**Mr HOLLIS**—I want to ask a couple on education.

**Senator MURPHY**—You do that.

**ACTING CHAIR**—Defence will be able to say how far you go.

**Mr HOLLIS**—It is only one course, isn't it? It is not a series of courses. It is one course lasting 40-something weeks?

**Air Cdre Birrer**—It is one course. It is an integrated course that contains discrete single service elements. But, as you saw this morning, that is only about 10 to 14 weeks of that 44-week course.

**Mr HOLLIS**—But the whole thing runs for 40-something weeks?

**Air Cdre Birrer**—Forty-four weeks.

**Mr HOLLIS**—What happens if your home is not in Canberra? Suppose you are not between floors in Russell and you come from somewhere else. Where do you stay when you come here? Are you put up in motels or what?

**Air Cdre Birrer**—If you came accompanied from another state?

**Mr HOLLIS**—Say you were based in Townsville or Darwin or somewhere and you came down here for a year to go to the course.

**Air Cdre Birrer**—You would be put up in a Defence Housing Authority married quarter or, if there was no married quarter available, you would go onto rental assistance. You would be in the Canberra market either in a married quarter or in a rental assistance property.

**Mr HOLLIS**—What do you get at the end of this course? Is there a formal qualification?

**Air Cdre Birrer**—At the moment as we have established the course the military qualification will be what we call ACSC. It will be post-nominal. It indicates to the personnel organisation that people have achieved this level of education. However, given that it will be a high quality course and we intend to involve private providers—that is, universities—in the joint phases, we would seek accreditation. It will not be a key objective of the course. An outcome of having a high quality course is that we would be quite confident that we had achieved accreditation for something like a masters degree. Obviously, that is yet to be determined but it certainly will be taken up during the curriculum development.

**Senator MURPHY**—Do you expect the percentage mix of students to be similar to what it is currently?

**Air Cdre Birrer**—I expect the mix will continue at least in the short term. Obviously times change and the requirements and the services may change, but we see a higher level of requirement for this sort of training. There are a couple of things coming together to bring that about. Firstly, as a defence force we are being called upon to carry out more complex operations—complex in terms of political overtones and so on. We are seeing the level at which that sort of responsibility is exercised in a headquarters, even operational headquarters or a staff environment, at a lower level.

Whereas in the past we may have seen lieutenant colonels and so on being involved at this level, we are seeing, under the new reorganisation and with reduced numbers, that majors, who will be the primary people in this course, will require that sort of education to carry out their jobs competently. As we mentioned before, they are the key part of the knowledge edge which we see as the competitive edge of the ADF.

**Senator MURPHY**—Have you worked that out on projected estimates with respect to the reform program?

**Air Cdre Birrer**—Yes. With the personnel managers, we have looked at the numbers that they think will be required to get through this. We would see the numbers staying much as they are. Things may change in the future, but I cannot predict the future.

**Senator MURPHY**—Is the percentage mix as it relates to overseas nationals going to remain the same?

**Air Cdre Birrer**—The number of overseas nationals depends to some extent on the nature of our relations with various countries in the region.

**Senator MURPHY**—I understand that.

**Air Cdre Birrer**—Those numbers are normally looked at by the international policy people within Defence who make sure that the relationships are in order.

**Senator MURPHY**—But have you planned for the current percentages to be the same?

**Air Cdre Birrer**—I think the current numbers will stay roughly the same, but that will depend on which countries are represented.

**Senator MURPHY**—I understand that; I am just interested in your planning for the number of students you will have vis-a-vis the requirements with regard to buildings, services, et cetera. Would you expect those sorts of numbers—barring difficulties and that sort of thing—essentially to be the same?

**Air Cdre Birrer**—We would certainly see them staying the same. There are a lot of educational advantages, as well as the relationship advantages, in having those students on the course.

**Senator MURPHY**—Once we have this facility, what percentage do you expect to come from interstate?

**Air Cdre Birrer**—I do not have a figure.

**Col. White**—I would expect that it would be consistent with the Army movements.

**Senator MURPHY**—Which is?

**Col. White**—I suspect about half.

**Senator MURPHY**—About half?

**Col. White**—That would be a generalisation, but that would be the order of magnitude.

**Senator MURPHY**—I understand that you said that accommodation would be, first, in Defence housing. Would that be the Defence housing out the back of Russell?

**Brig. Kelly**—At ADFA.

**Senator MURPHY**—At ADFA?

**Air Cdre Birrer**—The Defence Housing Authority has a large number of properties around the whole place.

**Senator MURPHY**—Yes, I know that. So it is Defence housing wherever?

**Air Cdre Birrer**—Yes.

**Senator MURPHY**—Integrated, base housing or private rental or rent assisted?

**Air Cdre Birrer**—Yes. There would be very few who would manage to get into base housing. Most of them will be distributed throughout the market.

**Senator MURPHY**—I suppose this is really a question for Defence Housing, but I am curious as to how they are going to manage that. Will they have properties that will be vacant and then just move people in and out?

**Brig. Kelly**—The current real estate situation in Canberra is such that, if the DHA cannot accommodate the numbers required, the commercial market can.

**Senator MURPHY**—I understand that. I am just trying to understand the situation in terms of Defence housing and whether you would be better off just taking it out of the private market.

**Brig. Kelly**—The DHA would do a business study on any of these initiatives that we have, and they would make a decision as to whether they should or should not build additional houses.

**Senator MURPHY**—Have you been speaking to them? Has there been any communications with them with respect to this proposal?

**Col. White**—I think they would be aware of the context of the proposal, but I suspect mainly out of the Queenscliff shift rather than a shift into Canberra. The personnel organisation is certainly aware of the proposal. They will be dealing with the housing authority, but they may not have spoken to them at this stage.

**Senator MURPHY**—If they are going to look after your housing, I would have thought that it would be useful to have a bit of a talk to them.

**Col. White**—We have more than 18 months to run yet, so it is not a significant issue.

**Senator MURPHY**—I know housing is reasonably readily available.

**Brig. Kelly**—I think in general terms, Defence would say that it relies heavily on the commercial market in Canberra, and that has historically proven to be satisfactory.

**Mr HOLLIS**—How do you get on this course? Are you selected or do you apply for it?

**Air Cdre Birrer**—You are selected for the course. It is a selective course in the sense that probably not everybody will be able to get on the course. Services will select people who they think have the best potential when they look at their group of people within the eligibility pool. By and large, most of that group will be major equivalents, but there is some discretion to send people of lower rank for Navy because they have particular requirements for very junior commanders. Similarly, it might be that you get the odd lieutenant colonel who comes along as well.

**Mr HOLLIS**—How many people who are offered the course decline the invitation?

**Air Cdre Birrer**—I cannot give you a figure. There is a proportion of people who will decline for various reasons. Sometimes they will decline because, while we may see them as career officers, they may have other plans that we were not aware of. In other cases,

particularly for a move out of town which may disrupt spouse employment and children's education, they may decide to decline at that stage and pick it up at a point downstream. I can only speak as an ex personnel manager from Air Force, but certainly we have had occasions where you might get half-a-dozen people decline a course. When you are only looking at a fairly small course, that can be quite significant.

**Mr HOLLIS**—Do you ever have a drop-out rate at all, or is that something that Defence do not have to put up with?

**Air Cdre Birrer**—Given that we select very carefully, our drop-out rate, if you could call it that, would be almost be infinitesimal. You get the occasional person. My experience has been that it is more of a personal problem that causes a drop-out rather than a lack of ability or lack of desire to complete the course.

**Brig. Kelly**—I would just note that I have been advised that the DHA and the project team had discussions yesterday.

**Senator MURPHY**—I thought they might like to plan a bit ahead, as well—given that they might have to secure some housing and they might have to make some decisions about how they might meet your requirements.

**Brig. Kelly**—Eighteen months ahead, I would suggest, is plenty.

**Senator MURPHY**—That is about what I thought they would have needed.

**ACTING CHAIR**—I am sitting here musing. I hope that all this training of these potential brigadiers and air commanders includes what the function is of the Joint Committee on Public Works of the parliament. We have had this referral after you have already made a commitment that you want this facility operating by January 2001, which is an assumption of course that we will approve it, given that the charter we have on behalf of the taxpayers is to make sure it is the appropriate site. I would be interested in your response to that. When you established that you wanted it opened by January 2001, did you give consideration to the fact that it would have to come to this committee for its approval?

**Brig. Kelly**—Yes, we did. The original plan was January 2002, but Defence took the view that if we could get it through by the commencement of the academic year 2001 we would reap the benefits of that additional year. Defence is very aware that the committee has a significant role to play here, and I assure the committee that, particularly since the committee reviewed the East Coast Armament Complex last year, we have no doubts at all that this is not a rubber stamp committee.

**ACTING CHAIR**—With a good outcome, I would have thought.

**Brig. Kelly**—I agree.

**Mr HOLLIS**—It seemed to me to be a very steep site, today. Will that put any additional costs or anything on the building? Does it add significantly to the cost of the building?

**Col. White**—The slope across the site gives us the opportunity to develop a third level on one end. It is not actually adding to the cost. It actually enables us to keep the footprint a bit smaller.

**Mr HOLLIS**—So what would you do with that third end—dig into the site?

**Col. White**—I suspect that would be the way.

**Mr Ross**—The natural fall allows us to have a step facility with a lower level on the lower end of the site.

**Mr HOLLIS**—But that is only one corner.

**Mr Ross**—That is the corner that we are making the most use of. There is a little bit of fill required in other places but, for the main building and the main footprint, the site actually falls to our advantage.

**Mr HOLLIS**—What foundations are there going to be?

**Mr Ross**—In-ground? We expect that there is variable rock, and the variability is in the depth to the rock.

**ACTING CHAIR**—Those are the sorts of questions I like to ask.

**Mr HOLLIS**—Go on, you ask. Mr Forrest assured me that this building was on a fault line this morning. Have you done all of those geotech surveys and so forth there?

**Mr Ross**—We have initiated geotech surveys but we have not got the results yet.

**Mr HOLLIS**—So it could add considerably to the cost, if you found something there that you were not expecting.

**Mr Ross**—We do not expect so. What we have basically allowed for is a footing system that uses piers into the bedrock, which is the same sort of system that was used on the ADC building. That worked adequately there. There was a little bit of variability in depth to the rock, which was able to be accommodated in the amount of funds, in the contingency. We expect to have similar issues on the main building, in particular, for this project.

**Mr HOLLIS**—Has there been an energy survey done at all?

**Mr Ross**—I do not know whether there has been an energy survey done of the site, but there is certainly an intention that this facility is designed and built to be energy efficient, with energy targets established initially, modified if necessary during the design process, and then implemented through construction and operation.

**Mr HOLLIS**—What about the current building that is there, the one that came in under \$6 million? Is that energy efficient?

**Mr Ross**—I guess I would have to refer that back to the Defence people who operate it. I do not have any information on that, I am sorry.

**Mr HOLLIS**—With that existing building, it is all going to flow—it is going to look like one complex, isn't it?

**Mr Ross**—From an energy system point of view, each of the buildings will be independent, but there will be a site management of energy.

**ACTING CHAIR**—Could I ask a question about how the facility will be operating in a curriculum sense and so forth. I see on the plans that there is accommodation for senior training officers at executive level—Army, Navy and Air Force, for the three services. Is there going to be an overriding commandant for the whole site?

**Air Cdre Birrer**—The intention is to have a one-star officer who would be the commandant for the Australian command and staff course, to bring it all together. Under him would be those three colonel equivalents. During the joint phases they would be, if you like, responsible for a range of responsibilities across service. It would not matter which service they were. But during the single service components they will be responsible for the carrying out of those single service components of the course for that 10- to 14-week period. There are some responsibilities of those three gentlemen to report to their single service chiefs to make sure that the single service requirements for generating the right sort of people to achieve tactical excellence in each of their three services are carried out. So the intention is that they will have a direct reporting line to their single service chiefs to report on the single service content and the conduct of those single service elements of the course.

**ACTING CHAIR**—How would the overriding commandant be selected or appointed? Would it be on a rotating system?

**Air Cdre Birrer**—The position itself would be rotational and it would be selected as part of the normal selection of the executives of the ADF, which is done at what we call star sessions.

**ACTING CHAIR**—My question is directed to how progress is being achieved to establishing this overall defence camaraderie. A lot of progress has been made. That is my observation. I go back to the day when there was a bit of competition between the three services. I can understand that co-location is a major step towards overcoming that, but a cynic might say that the other three sites have been overlooked because we wanted a neutral site to go to, not one that had an historical Army association or one that had a Navy or an Air Force association. That is one of the reasons why Weston Creek has been chosen.

**Air Cdre Birrer**—To my understanding that has not been a factor in it. Certainly with the Defence Efficiency Review the pace of change in the education and training system to look at joint or integrated schools—including civilians, if that is a requirement—has accelerated. Obviously we are keen to make efficiencies but we are also keen to preserve or enhance effectiveness.



With respect to the single service elements that we were just talking about, I think the position would be that we would see that that joint capability we are building has to be built on a solid bedrock of single service excellence. At the end of the day we still need commanders who can command battalions to do their part of the joint mission, we need squadron commanders who can command flying squadrons and so on. So we are not saying that those elements are unimportant; indeed, they are essential to us achieving our mission.

**ACTING CHAIR**—Senator, you wanted to ask some details about costs?

**Senator MURPHY**—You can take this on notice. Is it possible to get an explanation of the design and management fees? I also want to ask some questions about the catering facility costs. You are building a new catering facility, which is a need. But more importantly I was interested with regard to the kitchen and what the long-term plan is there. As I understand it, you are going to have a full kitchen staff. Is that what you envisage?

**Col. White**—I understand the catering facility is basically run under a commercialisation support program arrangement. I believe it would have about eight people or so working in that facility by the time the two colleges are operating in the one area, if that is approved.

**Senator MURPHY**—What is the cost of the kitchen equipment itself? Are you having full cooking facilities, like a full commercial kitchen?

**Mr Ross**—It is intended that it is a full kitchen that operates in a self-sustained way for that facility. I can get you the information on that kitchen equipment.

**Senator MURPHY**—I am just thinking about what is happening in a lot of areas, including in Defence, with regard to outsourcing of food supply services, et cetera, as to whether this is being taken account of in the longer term.

**Mr Ross**—I guess we are conscious of it.

**Senator MURPHY**—I would not like to see you spend a couple of million bucks in your new kitchen and find that, two or three years down the track, because of further efficiencies that have to be made, you shut it and outsource it.

**Mr Ross**—It is not of that order—the kitchen equipment that we are talking about.

**Senator MURPHY**—I know that is the figure for the whole facility. I should imagine it is probably \$300,000 to \$400,000 for the kitchen.

**Mr Ross**—I think that would be about right.

**Senator MURPHY**—It would seem to me that that is what Defence has done in other areas with regard to provision of food.

**Air Cdre Birrer**—I think on this one site we are only having the one catering facility. That will cater for the total population on the site. One important thing we do there is have a number of functions for the students themselves. We also have visiting parties of people

coming from, for example, other staff colleges around the region. For example, Philippine Staff College will visit ADC shortly and will use that facility so that the people can be exposed during lunch and so on to all those other visitors from overseas and their experiences. Another important point is that some of the overseas students have special dietary requirements as well, because of their religion, and we do try as best we can to cater for those differences.

**Mr HOLLIS**—Is the dining room subsidised?

**Col. White**—I do not expect any more than it would be ordinarily.

**Mr HOLLIS**—So it is user pays. Subsidies vary greatly. In this place, for instance, the dining room is not subsidised at all, despite what the general public think. We pay full commercial rates here. It is different from our state colleagues, who are usually heavily subsidised in their dining rooms. I just wondered. Is it user pay, or is it a full commercial rate, or is it a hefty subsidy?

**Brig. Kelly**—Can we take that on notice?

**Mr HOLLIS**—Yes.

**Senator MURPHY**—You envisage that you will run the kitchen on an ongoing basis?

**Air Cdre Birrer**—I envisage that the kitchen would be run on an ongoing basis certainly every day that the college is in and that there would also be a range of official functions which would obviously occur outside the normal daily hours of the college.

**Senator MURPHY**—Do you want to explain the management fee now or do you want to take that on notice?

**Col. White**—It depends on the extent of the information you want, Senator. Nominally the basis is worked out on the percentage applied for the project management, which is in the order of two to 2½ per cent. This is nominally; their tendered price might have varied from that. And the design fee is about five or six per cent, and we still have not evaluated those tenders yet to see if that is close. But that was the basis of the forecast.

**Brig. Kelly**—That is fairly much the way we approach any project in the absence of any better information. This project is relatively simple and straightforward compared with many of the more technical projects that you would see out on bases. We consider that about eight per cent total is appropriate.

**Senator MURPHY**—I want to ask some questions about the road.

**ACTING CHAIR**—We will be recalling Defence. There are other witnesses here that we should be hearing from.

**Senator MURPHY**—I just want to ask Defence about the road first.

**Mr HOLLIS**—Brigadier, I thought—and maybe I am wrong—that there had been over the last couple of years a fairly significant notional wastage rate for that middle-ranking officer level—the colonel or lieutenant colonel role. When I say colonel, I would put that across the other two services as well. Firstly, am I right in that? Secondly, if we are going to build this facility to cater for a declining number of officers, I suppose one can assume that those senior officers who remain in the service will be quite well qualified? We have obviously looked at long-term expectations. Are we going to grow in that area or are we going to decline?

**Air Cdre Birrer**—Can I turn first to the wastage question. Certainly the level of waste has been higher than we would like and, typically, a considerable proportion of that wastage at this level is people who are pretty well qualified, have had a reasonable period in the service to gain experience and, of course, have the pressures of family life. We have a vertical training organisation in the sense that people come from the bottom and move up. As those people leave at that level, the system is designed to replace them. If wastage goes up, then we will seek to increase our inputs from the civilian market, through ADFAs and the other training colleges, to replace those officers.

Turning to the other point you made about a declining officer overhead at this major level, which would provide most of the input to the college, we would see that we now have the numbers pretty well set in terms of where the Defence Force would like to see those numbers. We do not believe there will be a reduction in the need for the high quality education we are talking about—and, indeed, if we had a higher wastage rate, rather than simply running out of officers it might actually generate a need to train or educate more through the staff college.

**Mr HOLLIS**—That is fine, but have you thought of the possibility that, if this one-year course were like one of these staff colleges that you have, we are training people who are already fairly senior. They are in a position; they are selected there. You have got 12 months training on all this decision making that you are talking about; they would be quite a catch to business. Are we as taxpayers funding personnel to a level that makes them very acceptable to the business community out there? Is there any requirement of them to stay in the force for, say, two or five years after this training at taxpayers' expense so that the taxpayer can get some benefit, or are we training these people to move into business in corporate Australia at the taxpayers' expense?

**Air Cdre Birrer**—There are a couple of points there. One is that the Defence Force people, once they have been given their education and training, are very attractive to industry and our wastage rates tend to show that. That is in a large number of areas. The challenge for Defence is to be able to retain those people whom we wish to retain. Turning to the particular question of this course and the people who undertake it, they are very carefully selected. There is no guarantee that they will serve on, particularly if we apply a return of service obligation for a one-year course that would be based on one for one—in other words, one year plus one, that is, two years. While I have no figures, my previous experience would indicate that we typically do not lose many of those officers who undertake staff colleges, having been very carefully selected, within that two-year period. There is no certainty they will stay for any period, but we tend to hold on to them for a reasonable period of time.

**Col. White**—I think the attraction for graduates would only be from industry with a like source.

**Mr HOLLIS**—But I thought this was a generalist training that we would give them, and they are making them great decision makers. It would seem to me, if I were a manager looking for that, that that would be quite attractive.

**Col. White**—It certainly would be attractive, but the watershed probably comes on consideration for the next step on promotion rather than from the qualifications from the course.

**Air Cdre Birrer**—There is a lot of other work being done by Defence, too, to make sure that we can retain those key people. For example, work is being undertaken now on getting a pay structure in place which makes sure that those key people, who are very important to the organisation, are paid sufficient so that there is, if you like, an incentive to stay in the service, rather than having a big disparity between pay in the service and that offered by a commercial organisation.

**ACTING CHAIR**—I understand that there is a significant proportion of overseas officers who come to be trained in this facility, too—and I think that is a good thing; that is building some international goodwill—but I wonder if their respective governments provide some monetary support to do that or whether it is considered as our obligation. How does that operate? Do they pay a fee?

**Air Cdre Birrer**—It varies, depending upon which country it is. There are three different arrangements. Firstly, it may be that some countries would pay the costs of placing a student on the course. Secondly, we have reciprocal arrangements with other countries—that is, we send people to their staff colleges and they send to us, and under that reciprocal arrangement no money changes hands. Thirdly, there are some countries for which the course fees are paid under the defence cooperation program, which is administered by the International Policy Division. In that sense, it works to further relationships that the Australian Defence Force seeks to nurture in the region.

Perhaps I could also pick up on the point that it is not just the cultivation of relationships at a personal level; it is also the understanding they give to the Australian students on the course of the region and the way they view things, because there are different ways of viewing international matters. It is that understanding they give to the course that I think is a key element of having a successful ACSC.

**ACTING CHAIR**—I propose to hear the other witnesses and then recall Defence later to answer any questions that may be raised out of more evidence. Senator Murphy, do you have a last question for Defence? We will then recall them later.

**Senator MURPHY**—Yes. I want to ask a few questions about the road and what has been considered as a solution to the entry onto Cotter Road. Were there only two considerations—a roundabout or lights?

**Mr Ross**—There were a number of considerations, I guess, but the final two were really just looking at the way to improve the performance of that intersection. The other considerations related to diverting the traffic away from that entry and perhaps coming into the site from a different direction.

**Senator MURPHY**—I cannot read the name on this map, but there is a main drive which, I think, runs through to Phillip.

**Mr Ross**—I cannot give you the names of the roads.

**Senator MURPHY**—There is the Tuggeranong Parkway; and then—I assume we are going south—what is the next one?

**ACTING CHAIR**—Streeton Drive.

**Senator MURPHY**—Was Streeton Drive considered as an access?

**Mr Ross**—Streeton feeds onto the Cotter Road and provides some of the traffic that goes past the front entrance. It essentially goes in the wrong direction for us. Most of the estimated arrivals will come from the east—pretty much the direction from which we came this morning—and then turn across the traffic into the site.

The alternatives that we considered were going past that turn and then coming back around and possibly past the point where Streeton Drive and the road from Uriarra Crossing come together, and you bring two lots of traffic together at that point. If we were able to go past that and then come back around, you have obviously got a lighter traffic problem that you are crossing. That was considered but it involved, obviously, a longer distance and much more complication when the traffic light approach would make the intersection performance work fine.

**Senator MURPHY**—I think the traffic light thing is going to be a real problem for you, given the location of the other traffic light—it is just down the road. I assume there is a traffic light at Streeton and Cotter Roads, is there?

**Mr Ross**—Yes.

**Senator MURPHY**—I assume that dot represents before you get down to Tuggeranong Parkway?

**ACTING CHAIR**—There are three traffic lights within about a kilometre of each other.

**Senator MURPHY**—To put in a fourth one does not, to me, seem a very—

**Col. White**—That decision would not be made by us alone; it would be made in consultation with the ACT government.

**Senator MURPHY**—But you are expected to pay?

**Col. White**—Yes, I suspect so.

**Senator MURPHY**—I find that an interesting sort of situation. Whilst I can understand the ACT government saying, ‘Well, look, we’d like you to contribute,’ it is the option which is, I think, the problem.

**Mr Ross**—Given that it is fairly early in the process and that the ACT government may have a different view when they look at it in more detail, nevertheless the traffic light approach has validity because we are talking about a relatively short period of time in the early morning peak when there is going to be conflict at the intersection. At all other times those traffic lights can be readily synchronised so that the through traffic has priority and would have very little impact. So, as distinct from a roundabout, where you would have—

**Senator MURPHY**—I do not think a roundabout is a solution at all.

**Mr Ross**—The traffic lights can be applied so that they work at the time you want them to work, and they have—

**Senator MURPHY**—Yes, I understand that. It is just the number of traffic lights that fit into that very short distance.

**Mr Ross**—Yes, I agree—it is probably undesirable. But, given the nature of the intersection and the nature of the traffic, we believe that something has to be done.

**Senator MURPHY**—I agree with that.

**ACTING CHAIR**—Have you done any option studies? One option is, as Senator Murphy has suggested, extending Streeton Drive at the existing traffic lights and building a road entry. That would have sizeable costs. The other is a roundabout at the intersection where the traffic light is. Another one is the one that you have described—the traffic lights and a turning right lane. Has somebody done some numbers on what each of those options are?

**Mr Ross**—We have done preliminary numbers, but they are really focused on the college and the impact of the college rather than on the local traffic situation. We would be looking to the ACT government to provide us with guidance as to how they want the local traffic to work.

**ACTING CHAIR**—Has someone been doing some traffic counts? Do we know how much traffic comes into the college entrance?

**Mr Ross**—Traffic counts have been done. From memory, October last year is the traffic count that we have been using. We have put a little bit of a growth figure onto it and it represents an adequate basis for the calculations that have been done.

**ACTING CHAIR**—Somebody has written some sort of a report?

**Mr Ross**—Yes, that is correct.

**ACTING CHAIR**—Could you provide that to the committee?

**Mr Ross**—Yes.

**Senator MURPHY**—The other thing I would raise with you, and which is, as I understand it, a concern of some of the few residents that live there, is the other set of lights—Kirkpatrick Street. What if there was an entrance when you go down Kirkpatrick Street to where those other lights are? So there would be no new lights. Also, there are the noise levels. I do not know how much heavy traffic goes through there—trucks, et cetera stopping, in effect, in very close proximity. I know that other people have to put up with that, but if it could be avoided that is the sort of thing I would be interested in. Maybe we have to find out from the ACT government what they might be thinking.

**Mr Ross**—I think they are things that we would explore through the detailed design of the project. But, as I said, they are not things that we have explored at this stage. We have really only looked at the impact of the college on that intersection rather than the broader local traffic issues.

**ACTING CHAIR**—The submission—the witness is not appearing today—asks questions about the lighting and the impact on Mt Stromlo. Defence's response to that by letter has been: 'We will comply with Australian standards and be good neighbourly citizens.' But I would be looking for a little bit more in respect of that issue as to how it relates in the big picture. Mount Stromlo, from the inspection we have done this morning, is three or four kilometres away. How does Defence respond?

**Mr Ross**—The lights that we are talking about are mercury vapour lights which, apparently, provide a much broader spectrum light. As you saw this morning, they are focused upwards—or they are not focused at all, probably more accurately. The Mount Stromlo observatory has advised us that they can filter out things like sodium lighting, they can adjust their spectrum so that that does not have the same impact. Mercury is probably the worst for their purposes. It is a relatively simple matter from the project's point of view to just change those lights, in the first instance, to sodium vapour; and, in the second instance, to put some downlight impact there rather than up-light.

**ACTING CHAIR**—Are they the only lights on the whole site?

**Mr Ross**—They are the only ones that worry them. Most of the other external lights on the site are hooded and reflect downwards. You may have noticed in the car park that there were some bollard lights that had hoods on them. I suspect that there is very little impact from those lights on Mount Stromlo. Those two up-lights on the gates were the only ones that have an impact on them.

**ACTING CHAIR**—So you have been in regular contact with the management of Stromlo and you have got some good dialogue up there?

**Mr Ross**—We know what their requirements are, yes.

**ACTING CHAIR**—Have you got any correspondence from them that they are satisfied with your proposals to make sure we do not create problems for them?

**Mr Ross**—We have not got a proposal. We know what we want to do, and as we move into design we will design that capability into the project, but at this stage we do not have a firm proposal that we are putting to them. We would be waiting until the lighting designer was appointed, and he would then give us some technical response to the issue that we could offer to the Weston Creek community and through them to Mount Stromlo.

**Brig. Kelly**—The fact that we have had a submission from them provides the trigger for us to ensure that we follow it up.

**ACTING CHAIR**—I would like to adjourn Defence witnesses now to hear from the Borough of Queenscliffe. We will be recalling you after we have heard some more evidence. Thank you very much for your time so far.



[12.24 p.m.]

**BUGG, Mr Robert John, Mayor, Borough of Queenscliffe**

**DE CORTE, Ms Bernardette, Heritage Advisor, Borough of Queenscliffe**

**ELLIOT, Mr Paul James, Councillor, Borough of Queenscliffe**

**PRICE, Mr Gary Arthur, Chief Executive Officer, Borough of Queenscliffe**

**ACTING CHAIR**—I welcome Councillor Bugg with his team. There are few formalities. The committee has received a submission from the Borough of Queenscliffe dated 25 May 1999. It is now part of the public record. I understand that this is your first public inquiry. By way of explanation, it is a good process by which we can record evidence—that is what the *Hansard* is for—for you to examine later. There is an ongoing opportunity for you to add to that. That allows you to see what other people have said too in respect of our inquiry. It is also the process that allows you to be fearless in the evidence you give to us because it extends to you parliamentary privilege. Do you propose any amendments to what you have already submitted to the committee?

**Mr Bugg**—No.

**ACTING CHAIR**—Do you propose to make an opening statement to summarise your thoughts about the inquiry? We will give you that opportunity before we proceed to questions.

**Mr Bugg**—Thank you. We would so like to do. I would like to start by thanking you for the opportunity to present today—

**ACTING CHAIR**—I am sorry; you have brought along some supplementary submissions today. Your proposal is to table those?

**Mr Bugg**—Yes.

**ACTING CHAIR**—Just for procedural matters, could I say that it is proposed to incorporate two further documents provided by the Borough of Queenscliffe in the transcript of evidence of the hearing today. There being no objection from members, it is so ordered. You may talk to that now in your summary.

*The documents read as follows—*

**Mr Bugg**—Thank you for the opportunity to be present and, with my colleagues, to make the following submission. We do not have a view on matters relating to the concept of co-location. This would appear to be an education matter that the defence services are best able to deliberate upon. However, our position would be that co-location is possible at the present site at Queenscliff at the present time. There have been occasions in recent years where the three staff colleges have conducted joint exercises there. I believe they are often called ‘Operation Wild Goose’. The proposed course numbers of 180, as in item 51 of the report, are able to be accommodated on the present site. One lecture theatre, the Blainey lecture theatre, has a capacity of 240 people. A second and smaller theatre could, with additional seating, provide sufficient accommodation for the three services at the current levels.

We would disagree with the view that there is no room for expansion, and I refer to both your report item 7 and also Brigadier Kelly’s letter, item 3. There is vacant land on the present site to the west of the new classroom block, and expansion is also possible closer to the parade ground. Buildings presently being used as administrative support facilities might also be used for teaching purposes and the activities currently undertaken in those buildings relocated to the Crows Nest site.

Matters relating to the heritage aspect in the facility—and I refer to your item 25—do not reflect the true situation. The present principal teaching facility was built in about 1988 and provides a state-of-the-art teaching provision, and, certainly, the library facility is first-class. I ought to add that, as a fellow of the College of Education, I know of few schools anywhere in Victoria that have facilities as good as the current facilities in Queenscliff. Most of the other buildings were, in fact, erected during the 1930s and have been subjected to significant refurbishment over time without taking away the heritage aspect of those facilities. These buildings currently house course administration and some limited accommodation. The 19th century heritage buildings are few; they presently house administrative officers and the catering facility.

I find some confusion in the evidence so far. The buildings are indeed good. In your report—item 4—and in Brigadier Kelly’s letter, it says the buildings are good to ageing. The comment was made this morning that they may be in need of replacement. I would like to table for your information a report prepared by our heritage officer on these aspects.

**ACTING CHAIR**—We have got it; I have already approved it.

**Mr Bugg**—We are concerned and must stress that, in the preparation of this and also earlier submissions, limited documentation has been made available on which to base any detailed analysis of cost comparisons. There is, for example, no detail or clear cost-benefit analysis in the document which we are addressing. We would have thought that this would be central to any proper decision making. We do understand that one has been undertaken, and I would refer you to the budget estimates of 9 to 11 June 1998.

The decision to move the staff college appears to be contradictory to the government’s *Regional Australia: meeting the challenges* document of 11 May 1999. It is one which I am sure you know of. I would refer you particularly to the overview on page 1 of that document. The move of the staff college to Canberra would result in one of the largest

employers of people in the region leaving. I believe the *City of Greater Geelong Business Report* places it in about ninth position in the whole of that region. At this point of time there is no clear opportunity for that being replaced. It would also seem to us that it would run counter to the Army's regularly stated public commitment to retain an integrated presence in the region. Such a change in the relationship not only between the staff college and the immediate community but also between the Army and the region after 139 years is clearly a major concern to our community, who have linked their life and work to the Army's activities over many generations.

A consequence of this decision could be a reduction in the basic infrastructure of the community. That would be difficult to re-establish later. It would also impact significantly on the economic viability of the borough, with an anticipated loss of approximately 10 per cent of the total population overnight. I have tabled for your information the April 1998 submission which we made to the Minister for Defence.

We are grateful for your invitation to consult with you on this matter. Up until this point, the consultation process at any depth has only been between the state and federal governments. We believe that, to this point, we have been excluded from the consultation loop, with one or two exceptions, in any meaningful way. It should be noted, for example, that the future of the Crows Nest site, which we believe will be sold separately, would be subject to the Queenscliff planning scheme. What planning zone is decided by council for that site would affect its real value and therefore affect any cost-benefit analysis.

We look forward to being included in any further discussion. We would hope that as a first step this committee might come and visit Queenscliff to review this unique and valuable facility which is meeting the present needs of the Army. It has the potential to meet future needs for the middle level training of officers of all three services. With your permission, I would like to ask Ms De Corte to say a few words briefly about heritage issues, and Councillor Elliot will deal specifically with matters raised by Brigadier Kelly under item 3 of his letter.

**Ms de Corte**—Specific matters relating to conservation issues are contained within the document which you have a copy of. I would like to stress first of all that, over a period of 139 years, the military have been outstanding custodians of this complex heritage site of national significance. The complex, Fort Queenscliff, is on the Register of the National Estate. The origins of the fort are a direct consequence of the implementation of defence strategies which were derived from the threats of the Crimean War which took place between 1853 and 1856.

The Fort Queenscliff buildings have proven their adaptability and durability over a period of 139 years. There is room for expansion inside the fort and for further adaptation, but the uniqueness of Fort Queenscliff can best be appreciated in person and on site. The ongoing custodianship of the fort by the military, which has proven to be so successful, would ensure the continuation of a 139-year-old living culture. That ends my introduction.

**ACTING CHAIR**—Are there any other contributions before we proceed to questions?

**Mr Elliot**—I draw your attention to the letter from Brigadier Kelly dated 4 June 1999. We refute some of the comments made in this letter, in particular in respect of the issues of family accommodation, and opportunities for spouse employment and education. Whilst these matters have been dealt with in our written submission of April 1998, I would like to speak to them briefly at this stage.

Firstly, on family accommodation, while the existing facilities at Fort Queenscliff do not provide for family accommodation, a diverse range of accommodation options exist within the borough, and, indeed, within the Bellarine Peninsula, at extremely reasonable cost. This alternative has worked extremely well for several decades and provides families with a unique sense of community. On opportunities for spouse employment, I cannot quantify my statement with figures, but suffice to say that the region—which includes the Greater Geelong region—has a large employment base and considerable opportunities exist in this regard.

As far as education is concerned, the borough provides an excellent kindergarten with preschool facilities. Students from fort families can choose between two state primary schools and one Catholic primary school situated within the borough. Those attending secondary schools can attend Bellarine Secondary College, the region's most modern and up-to-date facility and a short 20-minute bus ride away. Those seeking a wider choice can choose between a large number of state secondary and private schools in Geelong, including some of Victoria's most prestigious private schools, and they are a 30-minute bus ride away. Deakin University in Geelong caters for those seeking tertiary facilities. That concludes my presentation.

**ACTING CHAIR**—It seems there are two concerns that your borough has. One is ensuring that the heritage of the site continues. I would agree with you; I have seen it and you are obviously looking for some commitment that that will be preserved. The other is a quite natural concern you have about the impacts the closure will have on your own economy down there. On that point, has council instigated any economic development work with an estimate of what the spending power of 180 students would represent in benefits to the local economy? Has any work like that been done through the borough?

**Mr Price**—There has been no specific work done. We do know that the operating budget for the current facility is about \$20 million a year. It is difficult to determine how much of that is actually realised in the local economy or how much of that goes out.

**ACTING CHAIR**—Your submission, and again your evidence today, has been made up of those generalised statements, which we understand, but it is getting a grip on what it represents in local monetary dollars that is important. It is one thing to ensure the heritage is preserved—we can take steps to make sure that happens—but it is important to get a good handle on the dollars. You would have read Defence's arguments about why they do not prefer this site and why they prefer Weston Creek. They assert that substantial amounts of money will be spent by taxpayers if they were to have this joint facility in your borough. You can only counter that with another argument that reflects the benefit to the local community.

**Mr Bugg**—We know though that the Army is \$19.8 million. One can only assume that, with an approximate doubling of students, we are looking at between \$35 million and \$40 million a year.

**Mr HOLLIS**—But why would they be looking at \$40 million? You said the submission is \$28 million—

**Mr Bugg**—No, I am sorry. I think the question which was asked was, ‘What was the economic impact on the community?’ I am suggesting on figures which we have that the cost of running the fort is about \$19.6 million; that is the current rate. If you enlarged that by a co-location mechanism, it would go up to \$35 million. Is that an answer to your question, or am I getting lost?

**ACTING CHAIR**—I am more interested in pursuing the benefits to your borough down there in terms of its economy. That is what I am pursuing.

**Mr Bugg**—I am sorry. We will lose 10 per cent of our community overnight and the spending power that that involves. We would also lose, we believe, other infrastructure. For example, we would potentially lose one school, with a whole range of banking services and so on to follow.

**Mr HOLLIS**—I have no argument with the heritage, and I congratulate you on the submission; it is good. It should be preserved and I think all governments of all political persuasions today have not only legislation in place to preserve it but a commitment to preserving. You seem to fear though that this would be lost if it was gifted to the Victorian government or even the borough. Why would that be? Why do you think it would not be preserved?

**Ms de Corte**—I do not doubt that the buildings will be preserved, but we do not know what the future is and we do not know who the new end users are going to be, so if there is a discrepancy between what the end users want from the buildings and what the buildings at this point in time will allow the military, let us say, to do, then we are looking at a process of adaptation. If that process of adaptation is too extensive, then there is invariably going to be a loss of fabric.

But the other thing is: the continuing military usage of the site has been stressed in the conservation study. It was seen, by the authors of the conservation study, that there is an unusual link between the occupation and the actual design of the complex because it is such a purpose-built heritage site.

In addition, that very problem is mentioned in *A presence for the past*, which is a report prepared by the Committee of Review for Commonwealth Owned Heritage Properties. It is available from the Australian Heritage Commission and I have mentioned it in my report. It actually mentions Queenscliff, and I would like to read a bit from it:

Continuing use is a fundamental consideration in the management of some heritage properties. If the Army left the site of its Staff Command College at Queenscliff, Victoria for example, the significance would diminish—the function is fundamental to its heritage significance and can be a strong reason for not disposing of the site.

It is not very often that that is the case.

**Mr HOLLIS**—No. I noted at the conclusion of your introduction that you stressed the living monument.

**Ms de Corte**—Yes.

**Mr HOLLIS**—We did an inquiry into Garden Island and a lot of the same problems were raised that are raised here: the buildings were only there because of the nature of the work that was carried out on Garden Island. But, rightly or wrongly, I think society and the use of facilities are constantly changing. We all face this all the time. Sometimes you have got to look at the use, even if it is a form of compromise, because nothing can stay in a time warp.

It seems to me that the crux of this matter is going to come down, again rightly or wrongly, to the economics of the whole thing. You heard Defence's evidence and you heard our questions. Defence argues that by co-locating at Weston—all sorts of arguments—they are going to save something like \$2 million a year; I forget the exact figure. That is a very strong argument that Defence and other people will put to the parliament and to the general public. We are sympathetic—I am sympathetic; I cannot speak for my colleagues—to what you are saying. We understand the impact on a community, but this committee is charged with the most effective use—not the social use—of the taxpayers' dollars. What you are going to have to do to convince us, either today or later, is to refute, as much as possible, Army's or Defence's argument and present a case to show where they are wrong and why it would be of economic rather than social benefit to have the co-location in Queenscliff. That is being brutally frank about it.

**ACTING CHAIR**—I was trying to be less frank with the way I put it.

**Mr HOLLIS**—I know, but that is what we are charged with doing. We are charged with making sure the taxpayer gets value for their money. We would be criticised if we recommended that it go there and we could not prove what you are saying. I am not saying that you cannot prove it. I am just saying that that is what we are charged with doing.

**Mr Price**—It appears, as the member has just said, that the whole argument swings on paragraph 25 of this report, which says:

It has been estimated on a net present value basis that over 15 years, Weston would save over \$11m more than Queenscliff.

We accept that that is probably the focus of the argument. The basis on which that has been calculated, however, has not been given to us. As you will be well aware, any assessment of net present value will be done on the basis of assumptions to which we are not privy. However, I did hear this morning that an annual cost comparison showed that the operating costs at Queenscliff would be \$9.2 million a year and, at Canberra, \$7.9 million a year. That is a difference of \$1.3 million a year or 16 per cent. The only basis for that is an assumption about higher support costs and about relocation expenses. We have not got any information

to examine that in detail, but I would have thought that a 16 per cent differential seemed very high just on that basis.

**Mr HOLLIS**—I would imagine, and I do not know Queenscliff at all, that land prices and even rental would be less than for Canberra. I do not know but I imagine it would be.

**Mr Price**—I might also say that in regard to the 15-year assumption we would also argue that we probably should be looking at a life-cycle cost analysis rather than just picking a figure of 15 years. I know there was some justification given for that 15-year choice but I think it is a rather arbitrary choice.

**Mr HOLLIS**—No. They said that was for replacement on buildings and that they had worked out that that is the replacement cost on the cycle.

**Mr Price**—I would challenge the 15 years. Obviously, the fort facilities have been there for a very long time. It is really a question of how often we refurbish something of that nature.

**Mr HOLLIS**—It is quite interesting. This parliament building, which has been open for 11 years, is having major refurbishment at the moment. For instance, you cannot go into the Great Hall for three months because it is being refurbished. For all buildings, and maybe this is an argument you have got with the fort, I am sure one would argue that after 15 years or so there would be a lot of refurbishment needed in the day-to-day fabric of the building.

**Ms de Corte**—Because the corporate knowledge about the buildings is very much entrenched in the day-to-day management of Fort Queenscliff, I would say that that maintenance issue would be kept to a minimum. Also, the fact that there are buildings there which are 139 years old, still being used and still standing, I would say means that it is a very cheap option. They are not about to fall down. They are in very good condition. They will easily last another 15 years, and I am sure that they will last a lot longer. If you want to look at those issues, I would say that the retention of Fort Queenscliff, from an environmental point of view, makes a lot more sense than building a new building does. There is a hidden cost there, as well—or a benefit: it depends where you stand.

In addition to that, by maintaining Fort Queenscliff as an operational destination by the military, there are all sorts of side benefits which have not been costed out. How do you put a price on the preservation on a living cultural icon of national significance and on the result that that has on the wellbeing of the Australian population at large, for example? The benefit people get is that it adds to the perception of people generally and they can appreciate the way they stand in 1999, because they can look back and get an appreciation of where they have come from. These are aspects which have not been taken into consideration, and these are benefits which are not available at the Weston Creek site.

**ACTING CHAIR**—That is an argument that you can develop to say that there is a justification for Australian taxpayers spending \$1.3 million a year extra so that the whole nation has access to preserved buildings. We have just been through an inquiry in respect of a building in Germany for a new embassy, where the Australian people there have made a

gesture to the German community by purchasing a building and helping to restore this heritage building. That is an argument you can develop.

**Ms de Corte**—Yes.

**ACTING CHAIR**—Defence can only then speak about the inconvenience—that is the kind of argument that you have heard them put this morning. That is what Mr Hollis and I are trying to suggest to you. That is the way you have to argue your case here. There is another position you could take, and that is perhaps to see this as an opportunity. Obviously there are some heritage buildings down there; if you can convince the new owners, the Victorian government, to help with it, it could be developed into a continuing and useful commercial asset for the community. Is that something that council has considered—to see this as an opportunity and not as a lost one?

**Mr Bugg**—Most certainly; but we in fact understand that, at this point in time, an agreement between the Commonwealth and state is still to be resolved. There is little that we can do until that is resolved. Indeed, we have actually been asking Defence if we can bring people on to site—like universities—and, up until this point of time, they have refused.

**ACTING CHAIR**—Yes. I gather the site is not readily accessible to the public. I remember going down and having a look at the old guns right out on the point. Some of that is publicly accessible?

**Mr Bugg**—There is a public museum on site, which is run by the Fort Queenscliff Museum Committee. They have public tours around there daily, if not weekends. I think it might be daily.

**Mr Price**—There are tours through the fort on a regular basis. There is certainly a tourism aspect to the fort facility as well.

**Ms de Corte**—With respect to these new opportunities for Queenscliff, this document, *A presence for the past*, actually recommends that there is a duty of care that the Commonwealth has to show when it disposes of major heritage assets. The Commonwealth—in this case, the military—would then have to play a very large role.

**ACTING CHAIR**—Could we get the full title of that report?

**Ms de Corte**—Certainly.

**ACTING CHAIR**—Make it available to other members. A date and volume will do. How is it described?

**Ms de Corte**—It is called *A presence for the past: A report by the Committee of Review—Commonwealth Owned Heritage Properties*. It was written by Jane Lennon and published in 1996.

**ACTING CHAIR**—We will get a copy of it.



**Mr HOLLIS**—It may well be that the point you are making is an issue that should be put across the minister who has ministerial responsibility for heritage. One of the things that I am particularly at a disadvantage over is that I have not seen Queenscliff at all. We hope to rectify that situation. Some of the questions we are asking may appear rather simplistic to you, but they are only based on our ignorance of being unaware of what is there.

**Mr Bugg**—I am wondering if I can go back to the issue of costs that you were talking about. I mentioned in my opening submission the problems in trying to get data to argue from, and in fact it has been very difficult. Is there any way that we might be able to obtain these sorts of figures to indeed develop an argument?

**Mr HOLLIS**—I am sure if you gave us a list of some of the questions you wanted asked, we could put those; but bear in mind that some of the things that Defence would be arguing are commercial and in confidence. That relates to costs, as in all commercial activities. But, if you gave us a list of the questions, we could take them up.

**Mr Bugg**—Most certainly.

**ACTING CHAIR**—We have already requested Defence to provide us with a much greater expanded argument about that \$11 million over 15 years. That should show how much would be spent in Queenscliff. We will make sure that that is part of the record. We will seek further information on that.

**Mr HOLLIS**—Yes, and hopefully you will get a copy of the transcript of evidence which will have Defence's statements in it. From there, if you want to develop a further submission, the hearing does not necessarily end today.

**Mr Bugg**—Okay.

**ACTING CHAIR**—With respect to your invitation, certainly something I will be recommending as a result of today's hearing will be that we come down and have a look. Senator Murphy, do you have any questions?

**Senator MURPHY**—No, not at the moment.

**ACTING CHAIR**—Is there anything further you would like to add?

**Mr Bugg**—I would like to say thank you for seeing us today. It is a pleasure to be in Canberra. We look forward to your journey down to Queenscliff, and thank you for your time.

**Mr HOLLIS**—It is important that you know the hearing does not necessarily end today. We will deliberate on this for some time before we make a recommendation to the parliament.

**ACTING CHAIR**—Thank you for attending today.

**Mr Bugg**—Thank you.

[1.08 p.m.]

**HUDA, Mr Shamsul, Senior Town Planner (Development Approval), National Capital Authority**

**WRIGHT, Mr David Terrence, Director (Development Approval) National Capital Authority**

**ACTING CHAIR**—Welcome. The committee has received a submission from the National Capital Authority dated 28 May 1999. Do you propose any amendments to that submission?

**Mr Wright**—No.

**ACTING CHAIR**—It is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*The document read as follows—*

**ACTING CHAIR**—Would you like to make an opening statement summarising your submission or adding any points which you may have thought of since?

**Mr Wright**—Thank you. I would like to recap very briefly on the contents of the submission. The purpose of the submission was for the authority to set out the statutory planning approvals process related to this particular site, for the benefit of the committee. The authority has considered the proposal in its infancy and has agreed to support the proposal, subject to an environmental clearance by the ACT Environment Unit. A preliminary advice from that unit has suggested that they do not anticipate any difficulties in that regard.

The site is national land outside a designated area, as defined in the National Capital Plan. The effect of that is that the works approval provisions of the ACT (Planning and Land Management) Act do not apply. Given the extent of the Commonwealth's interest in the Australian Capital Territory, the National Capital Plan makes provision for a development control plan to apply to sites which are national land outside the designated areas. The critical provision in the plan is that a development control plan is a device that is used to draw together the interests of the Territory, the Commonwealth and the applicants. That process is currently under way.

A particular issue related to the site is the question of the land use policy for that area of land which is being sought by the Department of Defence for additional parking. That warrants a change in land use policy in both the National Capital Plan and the Territory plan, from 'river corridor' to 'broadacre' and, more specifically, to a land use policy of 'defence education and office establishment'.

The amendment and variation process to the two plans can proceed concurrently, up to and including the public consultation phase, and that mechanism has been invoked on a couple of other occasions in Canberra, most recently for the Canberra Centre proposal. Beyond that, however, the processes are separate, with one variation to the Territory plan resulting in an approval by the ACT Legislative Assembly and, ultimately, an amendment to the National Capital Plan as a decision for both houses of parliament.

On the basis of our previous experience, we do not anticipate any undue difficulty, either in terms of time or in relation to the nature of the issues that need to be dealt with. Specifically, the National Capital Plan needs to be amended first to comply with the legislation, and the Territory plan variation may then follow. We do not anticipate that they would be two actions that would be unduly separated in time, and we are confident that we can meet the timetable that fits in with Defence's requirements.

The process from here on in is that, as the design is developed, it will form an input to the development control plan and, in fact, may be adopted as the development control plan by the authority. The development control plan is something which would be agreed between the Territory, the authority and the proponents—that is, the Department of Defence. That, in turn, would lead to the formal amendment and variation process to the two plans. The final element in the process is that, when the design is taken to FSP level, or even working drawings, it would be submitted to the authority for an advice on whether the proposal was not inconsistent with the National Capital Plan.

**ACTING CHAIR**—Is that the conclusion of your summary?

**Mr Wright**—Yes, thank you, Mr Chairman.

**ACTING CHAIR**—Does the National Capital Authority take an interest in traffic and where it goes? Has it had any input into concern about traffic, particularly at the entrance to this site?

**Mr Wright**—Yes. That would be a matter specifically required to be addressed under the special requirements of the National Capital Plan. It appears on page 4 of our submission. Specifically, it says:

Functional relationships between uses within and external to the site shall be provided for.

That requires that we at least consider the external effects of a particular development proposal.

The actual responsibility for dealing with matters of traffic outside the site rests with the ACT government. As I understand it, the Department of Defence are already in negotiation with the ACT government on those issues, and we would take them up formally and get them signed off as part of the Development Control Plan process and the subsequent amendment and variation processes.

**ACTING CHAIR**—You are very much for aesthetics style town planning.

**Mr Wright**—Certainly the external appearance and the consistency in the use of materials and colours are the critical aspects, if you like. However, we do have a broader planning interest to ensure that the site is used properly and that it does not produce any unintended adverse effects, and the Development Control Plan is a mechanism for addressing all those issues.

**ACTING CHAIR**—But what about this policy of the number of traffic lights per kilometre and things like that?

**Mr Wright**—There are no provisions in the National Capital Plan that specify those standards. Those would be matters for the ACT Department of Urban Services to control. Where they propose traffic lights in a designated area, they require works approval, but outside the designated areas there is no interest shown by the National Capital Authority.

**Senator MURPHY**—With regard to your proposal to make a variation to the National Capital Plan that causes a change in the land management act, where you want to change ‘river corridor’ to ‘broadacre’ land use, would that be a change specific to this area?

**Mr Wright**—Yes, it would be a site-specific amendment to the National Capital Plan, and that would provide—

**Senator MURPHY**—Has that been done before?

**Mr Wright**—On a number of occasions, yes.

**Senator MURPHY**—For various applications?

**Mr Wright**—Yes. I think we are up to about the 29th or 30th amendment to the National Capital Plan, and they can range from site-specific ones such as this to matters of broad policy—for example, relating to the telecommunications facilities throughout Canberra.

**Senator MURPHY**—So how is that done? Is it done by regulation?

**Mr Wright**—No, it is actually done through a formal process which is—

**Senator MURPHY**—It is just an amendment to the act?

**Mr Wright**—The amendment process is set out in the Australian Capital Territory (Planning and Land Management) Act, and that involves the minister and a public consultation process, although there is no prescription as to what form that should take. Without having any statutory requirement, the Joint Standing Committee on the National Capital and External Territories may conduct an inquiry into an amendment, and that has been done on a number of occasions. Ultimately the minister will table an amendment in both houses of parliament for six sitting days, and that is a disallowable document.

**Senator MURPHY**—It is a disallowable document?

**Mr Wright**—Yes.

**ACTING CHAIR**—Will you have any ongoing caveat about the future use of this extra piece of land that is involved? Will buildings be allowed on it or will the open space have to be retained?

**Mr Wright**—My understanding is that the proper course would be for the Department of Defence to acquire it and have it integrated in a re-subdivision of the area so it formed part of the site, and the policy provisions that relate to the site would cover that additional land. Now, as I understand it, the intention is to use it only for car parking, but if the site were re-subdivided to encompass the whole of the Defence holdings in that area then there would not be a specific policy that applied to that particular piece of land that would identify it for car parking. The Development Control Plan could fix that if that was felt to be a particular requirement of the ACT for whatever reason. But it does not follow that that land can be used only for car parking if it goes through this process, because the land use policy would be broadacre, not car parking.

**ACTING CHAIR**—What if in 20 years time there was a proposal to put a 20-storey building on it?

**Mr Wright**—The 20-storey building might draw a few crabs. But if, for example, there was a need to put an accommodation block there, that would be treated on its merits. If the Development Control Plan, as it stood at that time, did not provide for that then it could be revisited, and that would not involve the parliamentary process or an amendment to the

National Capital Plan. It would require an amendment to the Development Control Plan, and that can be approved at chief executive level within the authority.

**Senator MURPHY**—When they proceed on a disallowable instrument, if Defence purchases the land, for instance, I assume it operates in the same way as a disallowable instrument under federal legislation?

**Mr Wright**—My understanding is that, in order for an amendment to be disallowed at that point, one or other of the houses would have to vote against it. As I say, we have had about 30 amendments to the National Capital Plan over the last nine years, and a motion for disallowance has never been invoked in either house.

**ACTING CHAIR**—Is there a process in front of that that might require a process of appeal, if somebody took a major objection?

**Mr Wright**—Not appeal, but there is a formal consultation process and we have to report to the minister on that consultation process as to what views have been expressed and what our response is to those views. I know, for example, that in Annette Ellis's letter a couple of issues have been raised. We would need to deal with those in the Development Control Plan and in the amendment to the National Capital Plan. There would be opportunities, through the public process of amending the National Capital Plan or varying the Territory Plan, for those issues to be raised in the public arena.

**Senator MURPHY**—Have you had any consultation with any government body about the road?

**Mr Wright**—Not at this stage. It is a matter that is being taken up directly between the Department of Defence and the Department of Urban Services. In submitting the Development Control Plan for chief executive approval, we would need some documentary evidence that those things had been properly addressed and satisfactorily resolved.

**ACTING CHAIR**—Does your authority exercise control over the proximity to Mount Stromlo and the problem with lighting?

**Mr Wright**—Yes. There is a specific provision in the National Capital Plan that takes up the issues of vibration and light spillage and their effect on the operations of Mount Stromlo. We are required to refer any development matters to the ANU for comment. Having received those comments, we are obliged to take any ameliorative action that is available to us to mitigate those difficulties. The range at which that policy comes into effect is five kilometres from Mount Stromlo. So this would be a matter that we would take up.

**ACTING CHAIR**—So the site is within five kilometres?

**Mr Wright**—That is my understanding. I have not actually measured it.

**ACTING CHAIR**—What process will be followed?

**Mr Wright**—We would write to the Australian National University particularly, notwithstanding that there is a formal public process that they would be able to participate in, and advise them of the development proposal and seek their comments. I am not anticipating any problems with vibration, but the question of light spillage is something that would be addressed and that would be covered both in the amendment to the National Capital Plan and in the provisions of the Development Control Plan.

**ACTING CHAIR**—Is that process only required because there is an amendment proposed?

**Mr Wright**—No, that applies to any development. If, for example, we were asked to deal with a development at the RSPCA, which is two blocks down—if they were putting in incinerators or something which had a potential impact—we would normally refer that matter to ANU as a matter of course to comply with the provisions of the plan.

**ACTING CHAIR**—Has that referral been made yet?

**Mr Wright**—Not at this stage. We have assessed the proposal in its infancy and established what the statutory mechanisms are that are raised by the particular proposal. We anticipate that when sufficient detail is available from the proponents for us to start talking seriously about what the contents of the Development Control Plan should be, we should be able to formulate a draft for the purposes of consultation with the various interested parties, including ANU and the ACT government. Having been through the public works process and identified through the submissions that were made that there are other interested parties, we would no doubt go back to the Weston Creek community association as well.

**ACTING CHAIR**—Until now you have had no formal discussion with Defence?

**Mr Wright**—We have with Defence. They submitted a very preliminary statement of their intent which raised issues in terms of the statutory approval process. We took that preliminary material to the April authority meeting and they agreed to support the project in principle, subject to environmental clearances. We are now at the point where the sort of material that is being displayed today can be fed back in to the authority and we can get the Development Control Plan process under way.

**ACTING CHAIR**—Are there any other points that you want to add?

**Mr Wright**—No.

**ACTING CHAIR**—We thank you for your time today.

[1.25 p.m.]

**DAWES, Mr David, Chief Executive, Master Builders Association of the ACT**

**ACTING CHAIR**—Welcome, Mr Dawes.

**Mr Dawes**—I would like to thank the committee for the opportunity to appear before you. Obviously, this is a project that the building and construction industry welcomes to the ACT.

**ACTING CHAIR**—The committee has received a submission from the Master Builders Association of the ACT dated 2 June 1999. Do you wish to propose any amendments or corrections to that submission?

**Mr Dawes**—No.

**ACTING CHAIR**—It is proposed that the submission and the Department of Defence response to it be received, taken as read and incorporated in the transcript of evidence. There being no objection, it is so ordered.

*The documents read as follows—*



**ACTING CHAIR**—I now invite you to make an opening statement and make any points you have thought of since making your submission, before proceeding to questions from the committee.

**Mr Dawes**—By way of recapping our submission to the committee, I would like to point out a number of things that are important, I believe, to the ACT. As you are aware, the ACT is fast becoming known as the smart capital. When you look at the facility that is proposed to be built at Weston, it is certainly going to fit in with that sort of ideology and enhance the current operation of the ADF.

From the perspective of a taxpayer, obviously the important thing these days is value for money. The nature of the construction industry in the ACT is such that buildings are being built at a very competitive price. As this goes out to tender, I am sure that there will be value for money for the Department of Defence.

One of the things which the association has been encouraging both the ACT government and the federal government to do is to have some consistency and certainty in the process here in the ACT in order to alleviate the boom and bust cycles that you sometimes see in the building industry. This can be alleviated by having projects constantly coming forward. This particular project fits quite nicely into the scheme. When you look at what is happening in the private sector and also in the government sector, it certainly fills that void that we see there. For every \$1 million that is spent in the building and construction industry, there is the opportunity to create 15 jobs—some directly and some indirectly. We see that as an important economic benefit for the ACT.

An added benefit for the ACT is the ongoing opportunities that will prevail. I heard the comment earlier by Defence Housing. As you know, a number of our residential members are building homes for Defence Housing. I am sure they would be more than happy to build some more homes as they are required, because there is quite a substantial land bank in the ACT. They are certainly increasing their stock, and we have got the capacity to deliver those homes. We have got the time frame in which to do it. In 18 months, these things can be accommodated.

I think the other things, as far as the Department of Defence is concerned, are the opportunities that are currently available in the ACT for spouses to have employment and also for the education of students, because there are a number of private government schools and also the university and advanced colleges here. That is certainly going to make for a more comfortable lifestyle and a happier family unit. That is an important thing as well and, as I said, I think it will also be very cost effective for the Department of Defence.

**ACTING CHAIR**—What is the status of the building profession in Canberra? Is there plenty of work on?

**Mr Dawes**—There is a little bit of work on. Obviously, we can do with more of course; I would like to see more projects on. But, looking at it currently and at what we see over the next two years, there are a number of major refurbishments to take place but not a lot in the way of new buildings; we are seeing some buildings that are being changed and converted from an office situation into units.

**ACTING CHAIR**—How is the Master Builders Association set up? Does it have branches? I am sure that, if there were a branch in Queenscliff, they would be able to put to us the same argument but from a different geographical perspective.

**Mr Dawes**—They certainly would, and I can sympathise with—

**ACTING CHAIR**—But your argument applies to the local benefit, no matter where it is?

**Mr Dawes**—That is right—I am representing the ACT master builders movement. I can sympathise with Queenscliff but, as the committee would be well aware, there is what has happened here in the ACT over the last few years with the number of public service jobs that have been cut and employment opportunities lost. If you look at the balance of private sector employment as opposed to government employment, it has certainly equalised and is probably even shading the federal government opportunities.

But I also think that out of every sort of disappointment or disruption there can be an advantage, and I am sure, knowing the Premier of Victoria, he would be certainly more than happy to assist Queenscliff in some way, shape or form to enhance that heritage site as well. I think there are a number of opportunities that can be worked out and assist that community.

**ACTING CHAIR**—What is the preference of the MBA in terms of how this project might be managed? It is a proposal with \$28 million. Would your association like to see that in one big lump or would you prefer a smaller increment?

**Mr Dawes**—My understanding is that the building component of the new facility would be somewhere in the order of \$20 million or \$22 million. I think that is certainly a bite-sized piece that a number of firms in the ACT could accommodate. One of the things that we would like to see of course is work go to a local builder to ensure that the dollars and the opportunity for employment remain here in the ACT. In the past a number of the jobs that have been carried out by the Department of Defence have gone to local builders.

**ACTING CHAIR**—How is that best developed? I am not sure what the size of the average Canberran builder is. Could he handle a \$2 million segment?

**Mr Dawes**—Certainly yes if it were broken up into smaller packages—there is that capacity. There is not a problem in that. I also think that in its entirety a \$20 million package is quite feasible for a number of members. It depends on the time frame, but if it were broken into smaller packages any number of our members could certainly do that job. Obviously there are some road works and, as Senator Murphy has pointed out, there is some discussion that needs to take place, and there are going to be some substantial civil works involved in the process as well. We have a number of civil contractors that would be able to handle those works.

**ACTING CHAIR**—We appreciate you taking the time today to address us. You will await anxiously the outcome, no doubt.

**Mr Dawes**—I certainly will.

**ACTING CHAIR**—Thank you very much for your time.

[1.34 p.m.]

**BAIN, Mr Ross Kenneth, Assistant Secretary Property Management, Department of Defence**

**BIRRER, Air Commodore Ken, Acting Head Joint Education and Training, Department of Defence**

**KELLY, Brigadier Garry Ross, Director General Project Delivery, Department of Defence**

**ROSS, Mr William, Project Manager and Superintendent, Department of Defence**

**WHITE, Colonel Neville John, Director Project Delivery, Department of Defence**

**ACTING CHAIR**—As you have been recalled, I remind you that you remain under oath. You may have anticipated some subsequent questions that members will have and might wish to respond to some of the issues that have been raised from the evidence you have heard this morning. I would like to give you that opportunity, but we will certainly have a number of questions that we would like to pursue.

**Brig. Kelly**—Mr Acting Chairman, I would like to make a brief summary statement on the evidence that we have heard. Perhaps in reverse order, I would thank the Master Builders Association for their support and the National Capital Authority for their support. We will, of course, take into account all of the procedures that are required in developing approval for the project.

In terms of the Queenscliffe borough submission, I would have to say that Defence is sympathetic to the Queenscliff situation. Queenscliff and Army have had a long and enjoyable association—at various times three of the people at this table had some of the best years of their lives at that college. But the fact is that we cannot base this proposal just on dollars, and the proposal does not stand on dollars. The qualitative issues before the committee are the ones that we would propose are the key factors. We would say that, even if this proposal were—in a dollar sense—in favour of Queenscliff, we would still be bringing the proposal to collocate at Weston Creek.

We would agree that the overall Queenscliff facility is relatively good. The facilities that were built there in 1986 are good, and that is the basis of our confidence that the Victorian government will in fact find a suitable tenant to replace us; those facilities are good. The other heritage facilities on the base are in fact a constraint in terms of our development because, due to the requirement to refer them under the provisions of section 30 of the heritage act, we would not be able to proceed at this stage with any confidence that we would get an approval for that project. So, in terms of site and heritage constraints, it would be a very high risk approach for us at this stage.

The Defence Reform Program requires us to rationalise the Defence estate, and that is a very firm undertaking that has been given to the head of the defence estate. To remain at Queenscliff continues an existing inefficient situation; in fact, it reinforces it by doubling or

more the number of people that we would actually have down there. We have talked about a number of the issues that that impacts on. One that we talked about in general terms but which we may not have quantified exactly was back-to-back postings. The fact is that if we were at Queenscliff no-one would get back-to-back postings. There are no other Defence bases or facilities close to Queenscliff. So, while we are sympathetic to the Queenscliffe borough concerns, our primary interest must be in the efficiency and the capability of our operation.

Queenscliffe has addressed some of the concerns—specifically, employment and education—and identified that there was employment and also good education facilities in the area. The question is not so much, from our point of view, whether there are or there are not; the fact is that Defence people move every two—every three, if they are lucky, or every four—years. The last thing they want are one-year postings; the issue is one of disruption to their life. People do not want to move on one-year postings.

The issue for spouses is not just employment; it is career development and it is very hard to get jobs that are appropriate for their careers when they are moving on a one-year basis. It is the same for education. There are good educational facilities in the area but people do not want their children going to three different schools in perhaps two or three different states in a three-year period. I said that a number of people in fact were choosing not to go to the staff colleges because of these issues. Further evidence is based on the fact that there are now about 10 people living unaccompanied at Queenscliff; 15 years ago it might have been one or two. The fact is that people are now preferring to leave their families in their old location and go unaccompanied, in some circumstances, to the college.

One of the other qualitative issues that we have addressed in our evidence and that I will briefly cover now is accessibility—the fact that the colleges depend on a large number of very senior, distinguished visiting lecturers, many of whom come from Canberra. We found this morning that Weston Creek is eight minutes from Parliament House.

**Mr HOLLIS**—Is that a plus or a minus?

**Brig. Kelly**—It depends on what is happening at the time, Mr Hollis. But, in general terms, from the point of view of this proposal it is a definite plus. Queenscliff is perhaps 1½ to two hours from Tullamarine, and a simple one-hour presentation to a course means tying up a day. There are other benefits with collocation with the existing ADC, including use of the library, the catering facilities, security and grounds maintenance—all those sorts of things which we could not overcome without moving the ADC to Queenscliff as well, and that is not something that we would want to do, because it is a very senior college and it benefits in an even greater way from its presence in Canberra.

So, while we are sympathetic to the heritage issues, we do not believe that those sorts of things can drive our business. They are not our core business. Defence has always taken a great interest in its heritage facilities, and I think the proof of that has been evident to the committee in many hearings. The fact is that we get to the point where we cannot continue an inefficient situation and we have to move on. We have done that in a number of locations in recent years. We have moved out of North Head. We have moved out of Portsea. I could probably name about 15 where we had an emotional tie to the particular place but it was

just too inefficient for us to remain there so we have had to move on. Nevertheless, in moving out of Queenscliff we are taking a great interest in what happens to the facility and how we ease, for the people of Queenscliff, our relocation. Perhaps Mr Bain might like to expand on what we are actually doing.

**Mr Bain**—Defence is keen to ensure that Fort Queenscliff does have a viable future. We take our heritage responsibilities seriously. We have obligations under the Australian Heritage Commission Act in relation to our heritage properties, and that includes occasions when we dispose of properties. We have disposed of a number of properties over recent years which are listed on the Register of the National Estate, and we are required to make certain that those properties are properly and appropriately looked after. The reason it was decided to go down the path of offering the property to the Victorian government some 18 months before we depart was to give a degree of certainty to its future. We will now work with the Victorian government and the local government to make sure that there is a future use of the property and it is looked after in accordance with the heritage obligations.

The council raised an issue about some protocols about visits by tertiary institutions. We want to get the process in line first, and we have commenced that consultation process. I suppose, in a sense, it started in earnest at the beginning of this month with a visit by council, state and federal officials to Fort Queenscliff to gain appreciation of the site and to understand the issues that we are confronted with there.

**ACTING CHAIR**—Who, in particular, visited from the federal end?

**Mr Bain**—Who attended?

**ACTING CHAIR**—Yes, who was representing the Commonwealth at that?

**Mr Bain**—There were Defence officials. Senator Abetz was there on the first day with minister Marie Tehan, the Victorian Minister for Natural Resources and the Environment. On the second day it was mainly an officials visit, but we also had the pleasure of the company of Mayor Bugg and a number of his councillors.

**ACTING CHAIR**—I am pleased to hear that. I was going to tell Brigadier Kelly that I was a bit disappointed to hear the municipality say it had not been consulted, which is not normally what Defence does. I have been very pleased to see a lot of community consultation. Do you think something may have gone wrong here and that process been left a bit too late?

**Mr Bain**—No, as I indicated earlier, there has been contact going back to June 1997. From where the council sits, it probably felt it would have liked more say on what was, I suppose, essentially a Defence assessment of its business and how best to carry that out. But for six months now, I think, the name of our nominated contact officer, Liz Clark, the Director of Property Disposals, has been known to the council, and the opportunity to approach her on any issue has been available. The consultation process will accelerate now, but we have reached this point and—subject the outcome of today's deliberations—while Defence has been leading that at the moment, that will gradually transfer over to the Victorian government, because eventually it will be theirs.

**ACTING CHAIR**—We have been reminded today in evidence about the responsibilities we have under the heritage act that you referred to. How can we achieve that if we effectively dispose of the site? Can we dispose of it and make sure there is some sort of caveat?

**Mr Bain**—We can do that. That is part of the reason we thought it best to transfer it to the Victorian government, because they have similar obligations under their heritage legislation to look after these properties.

**ACTING CHAIR**—As long as someone like Mr Grollo does not get hold of it. I have a few more questions. I was a bit concerned about the advice from the National Capital Authority about the amendment to the town planning scheme. My assessment is that that extra piece of land is not where the buildings are required, but that has the potential for delay if not handled properly. If there is a delay in the aggregation of that extra piece of land, will that affect the building project?

**Col. White**—No, it should not, unless the delay is quite extraordinary. But the intention at this stage—and we are going through that process at the moment—is to arrange a licence with the ACT government so that the contractor can use the site and have access into the back of the campus rather than through the main gate and also storage. But it is programmed as a late activity. So, with the time that we expect—the NCA and the ACT government will need to progress the approvals—that should still sit in comfortably with the program for the construction.

**ACTING CHAIR**—How does it overlap on the site plan that is on the wall up there?

**Col. White**—It is only in the car parking area.

**ACTING CHAIR**—Just that curved car parking area?

**Senator MURPHY**—It is just in the next stage down in the car park. The boundary fence cuts back in and then runs down alongside the buildings, which will require no change.

**ACTING CHAIR**—I missed that point when I was there this morning. I was interested to hear, Brigadier, that the site is not a question of the dollars—I think the way you put it was ‘even if Queenscliff showed to be a cheaper option’. That certainly puts a lot of emphasis on your view about consecutive appointments here in Canberra and all the other advantages about disruption.

**Brig. Kelly**—And all of the other issues.

**ACTING CHAIR**—Can all of those things be documented in any economic way?

**Brig. Kelly**—They are taken into account to some extent. Things like the postings are taken into account in the cost analysis. But the Price report and the Defence Efficiency Review both recommended Canberra—they did not look at price comparisons or anything—on the basis of the qualitative issues and the improvement in capability in locating in Canberra.

**Senator MURPHY**—Can you expand on that? Have you got the reports?

**Brig. Kelly**—I do not have them with me. I actually have parts of them here. The Price report, I think, specifically recommended Canberra, and the DER indicated that collocation was recommended, possibly in Canberra.

**ACTING CHAIR**—Let us get that clear. Was that not strongly recommending Canberra?

**Brig. Kelly**—The DER was not.

**Senator MURPHY**—I would like to have a look at it. I just want to ask Brigadier Kelly a couple of questions with regard to a matter we did discuss to some degree this morning, which went to accommodation. You were saying, as I understand it, that this is a 44-week course?

**Air Cdre Birrer**—That is correct.

**Senator MURPHY**—So those people coming from interstate would come here for the period of the 44 weeks?

**Air Cdre Birrer**—Because of the nature of employment at the rank at which they would come to the college, some people will already be in Canberra. Some will come from out of state.

**Senator MURPHY**—But I asked you this morning about the percentages of people that come from interstate and whether you expected those to change, and you said no. So I just have some degree of curiousness with regard to the statement that was made that people do not like one-year postings and that, with regard to the level of live-in people versus the level of non-live-in people, they leave their families at home because they do not like the disruption, et cetera. I am not sure I can accept your argument, Brigadier Kelly, in respect of it being better in Canberra, and different from Queenscliff. I would have thought the same set of circumstances would have applied. If they do not like one-year courses at Queenscliff, they will not like them any more in Canberra.

**Brig. Kelly**—Except here the opportunity is much greater that it will not be a one-year posting. It will be—

**Senator MURPHY**—Why is that?

**Brig. Kelly**—Because the person is more likely to have a two-year posting or a three-year posting before they do the course in the same location and—

**Senator MURPHY**—Why is that?

**Brig. Kelly**—Because there are 7,000 Defence people in Canberra and, in the Queenscliff area, no-one other than at the college.



**Senator MURPHY**—But you will not get them all coming here, doing the course and staying here.

**Brig. Kelly**—Correct; but a certain percentage—

**Senator MURPHY**—That is not your intention, is it?

**Brig. Kelly**—No, absolutely not. The point we are making is that the retention rate for additional postings in the area is practically zero in Queenscliff whereas, for Army in Canberra, it would be perhaps 50 per cent.

**Senator MURPHY**—I understand that. I understand your argument with regard to the potential for people to come here for longer periods of time, but it is not what I understood your intention was with regard to this course. This course is about training people for dispersion around the country. Is that true? That is what I understood was said this morning.

**Brig. Kelly**—Yes.

**Air Cdre Birrer**—It is for a range of Defence environments.

**Senator MURPHY**—I understand that. You are not going to bring all these people from all around the country and train them up and then keep them here.

**Brig. Kelly**—Correct.

**Senator MURPHY**—Your intention is to train them up and then they will go back and be transferred, as seems to be the regular thing.

**Air Cdre Birrer**—A proportion of them will be.

**Senator MURPHY**—People get three- or four-year postings. They travel around the country from Western Australia to Townsville and Darwin, et cetera. That is the normal train of events, either by way of courses that you do for the purposes of going up the ladder or by transfers that you get on the basis of when positions become vacant—not unlike what you would have in other services—in various parts of the country, and not all in Canberra.

**Air Cdre Birrer**—The key thing, though, is that for this particular group of people, most of whom are going to be at major or equivalent rank, there is a large slab of work and many positions in Canberra, so a large proportion of the people will be able to stay in location here, and that is not the case at Queenscliff.

**Senator MURPHY**—There is a lot of strategic emphasis on these courses, isn't there?

**Air Cdre Birrer**—A strategic thought in their concept?

**Senator MURPHY**—In terms of the courses. I understood the submission from this morning to say that there is a strategic defence task aspect to this course which is a very

important thing: you are getting people trained up to be smart in terms of potential for conflict, et cetera.

**Air Cdre Birrer**—That is correct. It is important even at the lower levels. We are talking about the level of major, which is the start of the middle ranking officers. It is important when they do their job that they understand the strategic context. Those people who go to the senior courses—a defence staff course, defence strategic studies course and so on—need a much more intimate knowledge of how you would work in a political strategic context. That context is very important throughout the organisation, and particularly for these people who work in integrated environments or in joint headquarters.

**Senator MURPHY**—Okay. I understand that. What percentage now of those people doing courses get a further posting here in Canberra?

**Brig. Kelly**—We can take that on notice and provide an accurate figure.

**Senator MURPHY**—I would be interested in that because I want to make sure that what we are talking—

**Brig. Kelly**—We have been using the figure of 50 per cent for Army.

**Senator MURPHY**—I think it would be useful if we could ascertain what that is in terms of putting the whole argument. I have a further question on Queenscliff. Mr Bain indicated that Defence is very keen to ensure that Queenscliff has a viable future in looking after the heritage values of the property, and that it would work with the Victorian and local governments to ensure that. That is all well and good but, looking at the economic contribution that Defence clearly makes in the Queenscliff region, as I understand it from the submission that was given to us from the Queenscliffe borough, there is in the order of \$1 million worth of rental properties utilised by Defence. I would have thought that, if you take all of that away, it has a capacity to have a fairly significant impact on the price of both business and housing accommodation in the region. That would cause me some concern.

I would be interested to hear from Defence how it intends to work with the Victorian and local governments in order to get a tenant. What does that mean in the context of economic input or at least some sort of maintenance? It is not your responsibility to maintain the economic outcomes in the region, but you have to give some serious consideration to that sort of area, and I know you probably have. I would be interested to know how you envisage your work with the state and local government bodies. How would you ensure that, if you leave there, the economic impact is softened in the best way possible? It is one thing to make a statement that you will work with somebody—you often hear that—but it does not necessarily mean that anything gets done.

**Mr Bain**—Senator, I can assure you that it will. We have taken on board a consultant to assist us in this process to make sure that it is comprehensive and to make sure that we identify the processes we need to go through. From the various areas—whether it is from the Defence perspective or the local council's perspective—we take on board all those issues. We are starting 18 months out. I think one thing we should not presume is that on 1 January 2001 there will be no-one there. There may not be a substantial economic impact at all if we

can find someone to take over the facility. As the mayor mentioned, it is a very good educational facility and for that reason I think it will have a future. We have 18 months to get that in place. We are confident we can do that, and that is why we thought it was necessary to bring on the Victorian government because it needs their input, given where it is, to assist us.

**Senator MURPHY**—What has been their reaction thus far?

**Mr Bain**—We have just started the process. As I say, the Minister for Defence wrote to the Premier in March, with regard to this arrangement. We have started the initial meetings with the area that would be responsible for the management of the property under Victorian government ownership. We are just starting down that track now.

**Senator MURPHY**—I will ask one question on the maintenance of the heritage values. I assume that Defence has been meeting some cost and that there would have been an assessment made as to the component of moneys that needs to be expended to maintain the heritage values of the property. Can you tell me what that is at the moment—you may have already given it to us?

**Col. White**—There was a nominal figure produced in the consultant's review of 1997 of about \$500 a square metre applied to existing heritage buildings for upgrades every 15 years.

**Senator MURPHY**—What does that mean in round figures?

**Col. White**—In round figures it is about 2,500 square metres to 3,000 square metres at Queenscliff. So that is about \$1½ million.

**Senator MURPHY**—Over what period of time?

**Col. White**—About every 15 years.

**Senator MURPHY**—So it is about \$1 million a year?

**Col. White**—If I can just check that. I would like to be sure.

**Senator MURPHY**—I do not understand what the annual cost is. The paint job does not have to be done every 15 years. I would assume that you have some general maintenance work that is an annual thing.

**Col. White**—It would be about \$100,000 a year, I suspect. This is not ongoing maintenance; this is the capitalisation that is required about every 15 years. There would be ongoing maintenance occurring anyway, such as doors and windows.

**Senator MURPHY**—That is what I was trying to understand. The building has heritage values. What is the required expenditure to maintain those values in good shape, given that it is made out of sandstone or whatever it is? What is the facade?

**Col. White**—The same report indicated—and these are 1997 figures—about \$330,000 or so for Queenscliff and facilities operations costs, as against what Weston would be, which would be about \$250,000 or less. So I suspect the difference is mainly heritage implications.

**Senator MURPHY**—I have one further question. Was there an increase in the number of students that went there in 1996? Did they increase from 90 to 100?

**Col. White**—At Queenscliff?

**Senator MURPHY**—Yes.

**Col. White**—I do not think they could accommodate 100 students. The limit is normally about 80 to 85. After that they begin to bulk out a fair bit, but they do have short periods where they accommodate, for example, the other staff colleges in an exercise called Wild Goose each year. They do cater for additional students numbering up to about 30 for reserve courses from time to time. So they could actually get to those numbers, but only on short hits.

**Senator MURPHY**—The general number of students has been static for a long period of time?

**Col. White**—Yes.

**Senator MURPHY**—For how long?

**Air Cdre Birrer**—For those forces it has been about 80 in number for that time, including the overseas component.

**Brig. Kelly**—Can I take you back to the issue I was chasing up on the two reviews and their recommendations? In the short extracts I have here, I cannot find the reference I believe I had from the DER referring to Canberra, but the specific recommendation of the Price report from 1995 reads:

The Committee recommends that:

- (a) the RAN Staff College, the Army Command and Staff College and the RAAF Command and Staff College be integrated into a single tri-Service ADF Command and Staff College located in Canberra. . .

**Senator MURPHY**—I assume there would be an executive summary of those reports?

**Brig. Kelly**—Absolutely.

**Senator MURPHY**—If you could provide that to the committee, we would appreciate it.

**ACTING CHAIR**—Mr Hollis has it. For your information, I have been browsing through the 1982 report of the parliamentary works committee in respect to Fort Queenscliff, Victoria, when it was approved to spend \$8.3 million: \$4.45 million on an instruction facility; \$2.55 million on Crows Nest; and \$1.3 million on officers accommodation. That is only 12 years ago. I hope we are not confronted with that at this site. But I would like to

make the point that that represents a substantial asset to Australian taxpayers, and in the ongoing consultation that will be required, if it should proceed that way, that asset needs to be preserved, and that would be the view of the taxpayers.

I will be recommending to the chairman of this committee that we go down, have a look at the site and make sure that we end up with the same view that you have. I am still a bit confused about what is heritage and what is new. I would not think that a building that is only that age would have heritage value, but it would have tremendous asset value as an education facility next to the university activities down there at Deakin University. There has to be a really good use if this is going to be closed off.

Has there been any discussion along that line? All I have noticed in your submission is that it is just going to be closed and left vacant until what is going to be done with the buildings is resolved.

**Brig. Kelly**—That is not the intent. Eighteen months out the intent of the consultation process that we are going through at the moment is to ensure that we hand it over in good order to a new tenant.

**ACTING CHAIR**—Thank you very much for your time today. As there are no further questions, it is proposed that correspondence that has been circulated to members of the committee be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*The documents read as follows—*

**Senator MURPHY**—You say that the minister has written to the Premier. Could the committee be advised of the response when it is received?

**Mr Bain**—Yes.

**ACTING CHAIR**—Before closing, I thank you again for appearing before the committee today and for your courtesy in extending to us an inspection of the site down at Weston Creek.

Resolved (on motion by **Mr Hollis**):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and submissions presented at the public hearing this day.

**Committee adjourned at 2.06 p.m.**

