



COMMONWEALTH OF AUSTRALIA

**JOINT PARLIAMENTARY
COMMITTEE**

on

PUBLIC WORKS

Reference: Redevelopment of facilities for the 51st Battalion, Far North Queensland

CAIRNS

Friday, 11 July 1997

OFFICIAL HANSARD REPORT

CANBERRA

WITNESSES

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JOINT COMMITTEE ON PUBLIC WORKS

Redevelopment of facilities for the 51st Battalion, Far North Queensland

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Present

Mr Andrew (Chairman)
Senator Murphy Mr Hollis

The committee met at 9.00 a.m.

Mr Andrew took the chair.

CHAIRMAN—I declare open this public hearing into the proposed redevelopment of facilities for the 51st Battalion, Far North Queensland Regiment, throughout Far North Queensland and the Torres Strait. This project was referred to the Public Works Committee for consideration and report to parliament by the House of Representatives on 15 May 1997 at an estimated out-turn cost of \$22.5 million. In accordance with subsection 17(3) of the Public Works Committee Act, 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.

Yesterday the committee received a detailed briefing at Porton Barracks and inspected the Atherton rifle range and the depot at Atherton in order to gain an appreciation of the nature of general reserve facilities. Today the committee will hear evidence from the Department of Defence and the Johnstone Shire Council.

[9.02 a.m.]

McCANN, Brigadier Raymond Leslie, Director General Accommodation and Works—Army, Facilities and Property Division, Department of Defence, Campbell Park Offices (CP3-2-15), Department of Defence, Canberra, Australian Capital Territory 2600

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CHAIRMAN—The committee has received a submission from the Department of Defence dated May 1997. Do you wish to propose any amendments, Brigadier McCann?

Brig. McCann—Yes, Mr Chairman, there are two minor amendments. The first amendment is in paragraph 1—delete ‘470’ and insert ‘479’. Amendment No. 2 is in paragraph 34—delete ‘six patrol boats’ and insert ‘five patrol boats’. Thank you, Mr Chairman.

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

The document read as follows—

CHAIRMAN—Would a representative of the Department of Defence now care to read the summary statement to the committee, after which we will proceed to questions.

Brig. McCann—Mr Chairman, this proposal seeks approval to redevelop facilities for the 51st Battalion—the Far North Queensland Regiment—throughout Cape York, the Gulf Region and Torres Strait. The proposal will enhance the unit's ability to meet its operational commitments. 51 Far North Queensland Regiment is a general reserve regional force surveillance unit headquartered in Cairns with elements located at 27 widely dispersed sites throughout the region.

The battalion is an important element of the Defence Force's detection capability. Its role is to conduct reconnaissance and surveillance operations throughout its area of operations by covering the major approaches to the north-east of Australia and the strategic and national assets located within the region. Consequently, 51 Far North Queensland Regiment is required to maintain a high level of readiness.

Under current strategic guidance the unit is required to operate from its 'peace time' bases, unlike most other army units, and this places a greater emphasis on its facilities. Since 1985 the unit has increased in size by approximately 400 per cent in personnel numbers, with an even greater increase in equipment holdings.

Unit elements are located throughout Far North Queensland in population centres and communities which are capable of providing the population base to support the unit's personnel requirements. The 27 separate and dispersed unit locations dictate a flexible approach to training and administration.

The current proposal involves redeveloping some existing facilities and providing some new facilities to address current deficiencies with respect to functionality, size and non-compliance with building and occupational health and safety standards. Work is required at 22 of the 27 unit locations.

Subject to parliamentary approval, it is planned that design and construction management expertise be engaged in late 1997, with construction to commence in March 1998 and to be completed by December 1999. Construction costs are estimated at \$21.271 million at January 1997 prices, which is out-turned at \$22.5 million. Thank you, Mr Chairman.

CHAIRMAN—Thank you, Brigadier McCann. We will now move to questions. Brigadier McCann, what struck me during yesterday's extensive briefing and at a quick glance of the map of Cape York was that there is a difficulty with the cape that one could say is a design error that applies to all capes: it has both a west coast and an east coast and, in total, there is an awful lot of territory to cover. Isn't there a real risk that this is largely a feel-good proposal, because in fact, given the length of coast for which 51 Far North Queensland Regiment has responsibility, it is very difficult to monitor any incursions that occur?

Brig. McCann—Yes, certainly the distances are great. But we are talking about only contingency situations. We accept that there are three separate approaches to the cape area: the north-east, the north-west and through the central gulf area. Certainly these areas are sparsely populated and there are areas suitable for isolated beach landings. The role of the regiment is really to provide surveillance and reconnaissance patrols of that land. They will be supplemented by naval and air force patrols, which will provide early warning of any abnormal activity in the sea-air gap. So there will be some form of warning. The unit is made up largely of people who are very familiar with the area. They train and live in the area, and this is expected to give an advantage to our own people.

CHAIRMAN—Does Defence have anything like 51 Far North Queensland Regiment operating in the west of the nation? In other words, is the area from the gulf to Darwin and then from Darwin around to Broome covered in a similar fashion?

Brig. McCann—Yes, Mr Chairman. The top end and the Kimberley region are the area of responsibility of the North-West Mobile Force known as NORFORCE. The Pilbara region of Western Australia has another organisation known as the Pilbara Regiment. These three regiments are termed ‘regional force surveillance units’.

CHAIRMAN—Are the personnel of those forces part of the regular army or part of the reservists?

Brig. McCann—The units are integrated units—that is, they have a mix of full-time and part-time soldiers. Generally about 10 per cent of the total strength of the units are regulars. The majority of the people are drawn from the community itself, and they will be part time.

CHAIRMAN—That is true for both NORFORCE and 51 Far North Queensland Regiment?

Brig. McCann—Yes. If you want further detail on that, the CO can elaborate on how the unit might operate in a contingency situation. There are some minor differences between the three different regional force surveillance units. If you wish to have more detail on that, Lieutenant Colonel Rerden could elaborate.

CHAIRMAN—That would be helpful for the *Hansard* record.

Lt Col. Rerden—The minor differences that exist between the three regional force surveillance units really pertain to reflect the regional differences of the areas for which they are responsible. On this side of Australia, with the focus that we have on the cape and the Torres region, we have a greater emphasis on riverine and coastal operations in small craft within our unit. In the Pilbara area, where there are vast open spaces and large areas to try to survey, they rely more on vehicle operations for their conduct of patrolling. So the differences really reflect the environmental differences under which the three units

operate.

CHAIRMAN—Could you comment on the multiplicity of units that apply in the submission before the committee? In the application you have already indicated that there are 27 units, 22 of which are subject to upgrade under this proposal. I think it would be helpful if you could indicate the reason for 22 and mention some of the things you referred to in the briefing yesterday, such as the relative inaccessibility of some of these units, which emphasises the need for a number of units.

Brig. McCann—Yes. We are talking about only one unit: the 51st Battalion. That unit happens to be widely dispersed over 27 separate sites. That is largely due to the size and nature of the Cape York Peninsula and the gulf region, as you indicated in your opening remarks. Having said that, I will ask the CO to explain basically how the unit is organised into four companies, its platoon and patrol structure and how the total area of responsibility is divided up for command and control reasons.

Lt Col. Rerden—The region that the 51st Battalion is responsible for encompasses all of that area from the Northern Territory-Queensland border in the west, across to the eastern coast along a southerly boundary and crossing the eastern coast at Cardwell and then all of that territory to the north of that, up through the cape and the Torres Strait to the northern boundary on Australia's sovereign boundary with Papua New Guinea. The area is broken into four company sized areas of responsibility to allow for command and control in these remote areas. With the dispersed nature of our operations, it is necessary to have a commanding element that can focus on one of these smaller regions to better control the patrol operations when they are being conducted.

We have four companies focused on their regions. A Company is on the south-eastern portion of the cape and is based in Cairns. The company responsible for the Cairns tableland area—Cooktown, Hopevale et cetera and out to the west—has 13 patrols. The company based on the cape proper and headquartered at Weipa is responsible for the northern part of the cape. It has seven patrols. To the north of that is the third company, C Company, which has its headquarters on Thursday Island. It has patrol members and patrols located throughout the islands of the Torres Strait and the 13 inhabited islands. It has a total of 14 patrols. The final company is D Company. It is responsible for the southern gulf region of Queensland. It has its headquarters at Mount Isa. It has a total of seven patrols in its area.

CHAIRMAN—Would you also care to comment on the proportion of indigenous people that make up these companies? I think that all reflects on the localised nature of the patrols and on the success or failure of your recruiting in each of these communities.

Lt Col. Rerden—Yes. A significant or fundamental principle of the regional force surveillance units is to draw people from the local area who have specific local knowledge and understanding of their area and to use those local skills to support our capability. In

our particular area we have been very fortunate over the history of the unit as a regional force surveillance unit to build up a strong representation in most of the indigenous communities, both Aboriginal and Torres Strait Islander communities. At the moment approximately 40 per cent or about 200 members of the unit are indigenous personnel.

Their use in the unit is significant for a number of reasons—one, for their local knowledge and, two, because in these remote communities that are somewhat isolated from the main centres even in their own regions the people of the communities are often the first and sometimes the only people to know of activities in the area for some time. By having trained soldiers in these communities, we have been able to build up a very good understanding of the local patterns of normal activity. That will help us in any conflict or contingency situation.

CHAIRMAN—This hearing is a little different from most of the hearings that the Public Works Committee faces because it involves the expenditure of a large amount of money over a multiplicity of sites—22, in fact. From what the committee saw yesterday, it is fair to say that, if Atherton and Porton are typical, it is obvious that there is a great deal of equipment that is not currently covered and sheltered and it ought to be covered and sheltered.

But what I find concerning as the chairman is that, while I am quite happy to accept the need for an upgrade on each of those 22 sites, I do not know whether or not a farm shed is an appropriate way to go about it or whether the farm shed that may or may not be allocated to a particular site is being supplied at a competitive price. Brigadier McCann, can you comment on the way in which Defence proposes to go about tendering for these facilities in order to ensure that the most competitive tender applies in what will be a range of situations?

Brig. McCann—In relation to the first part of your question, the nature of the facilities and their dispersion, we are really talking about only significant facilities at the battalion headquarters and at the company locations—battalion headquarters in Cairns, one of the companies here in Cairns and other company headquarters at Mount Isa, Weipa and Torres Strait. So, once you get outside battalion or company headquarter level, we are really talking about fairly minor facilities. There are a number of platoon depots, such as the one we looked at yesterday at Atherton. But we are primarily talking about patrol locations.

We are proposing to do work at some 14 patrol locations. So, while we are saying that we will be undertaking work at 22 locations, 14 of those are patrol locations and the scope of work there is very minor—an industrial or agricultural style building to provide some form of protection from the elements and a level of security to equipment. The type of equipment held at a patrol base is very limited. The CO can explain to the committee what sort of equipment you might find at a patrol base, be it a mainland base or an island base.

Lt Col. Rerden—The concept of the patrol bases is that they support the patrol in the community in which they are going to be located. In the case of the land based patrol bases—that is, one patrol consisting of about six personnel—they will normally have two vehicles or two dinghies, depending on their location. The aim of the facility is to provide external covering and protection for that equipment to keep them out of the weather and to try to reduce the impact of the environment on them to sustain them over their length of service. Equally, it will provide some measure of security for the patrol's personal equipment and the sundry items of equipment that go to make up the patrol's equipment.

In the case of the Torres Strait Island patrol bases, they will be of a size to support two patrols. Naturally, up there they are dinghy patrols, so they will be of a size to house four dinghies 4.4 metres in length and their outboard motors, which are 40-horsepower outboard motors, and the sundry items of equipment that make up that craft's capability. Again, it is to protect them from the elements and to provide some measure of security for them.

Brig. McCann—The second part of your question related to how we will get competitive prices for only this small amount of work to be done in a large number of remote locations. We accept that there will be some cost penalties associated with providing facilities at these remote locations. That factor has been costed into our estimates. We have used indices for remote areas. For example, using Cairns as an index of 100, in places like Mornington Island the cost could be expected to be 190—almost double the cost of building in Cairns. That is the extreme. Other examples are Thursday Island and Horn Island, at 155. So our estimates do include the cost premium associated with construction in remote areas.

The remote area construction is relatively minor. We are talking about \$100,000 to \$150,000 being the limit of the scope of work at a remote location. We would intend to, during the design phase, ensure that these remote facilities were capable of being prefabricated off-site in some place like Cairns or Townsville and shipped to the remote location. So that work on-site would be very much limited to erection and assembly of prefabricated components.

CHAIRMAN—Staying on that line of questioning: has security been a problem? Have the Defence Force actually found that dinghies or Landrovers have been disappearing?

Lt Col. Rerden—No, we have not had security problems on that scale, but in any location where army has equipment there is a requirement, obviously, to provide basic security for it so that it is left for the purposes to which it has been designed. Naturally, in each of the cases at the moment in these locations where we have patrols, we are not able to leave equipment on a permanent basis over an extended period of time because we do not have the facilities there to provide that level of security.

Brig. McCann—If I could just add to that. We do rely on the goodwill of the community to assist us with security. Village elders and representatives of other government organisations such as the police do assist us with that security role. In some cases vehicles are parked in unit members' own houses. Really, that is not a desirable situation and we would like to provide adequate security for all of our equipment. There are some obligations on us, particularly in relation to weapons, to provide minimum standards of physical security.

We are also concerned that, if there were a shift towards some form of contingency situation, there might be a period of heightened tension and it is during that period of heightened tension, which might be well short of any conflict or contingency situation, that we would need to make sure that we were better able to provide for the security of the equipment than we do at this stage.

Physical security is only one aspect. In the remote areas the shelter sheds would also be required to provide protection from the elements. The unit is experiencing a very high rate of unserviceability and increased repair bills to cope with maintaining its equipment. Particularly things like vehicle canvas, paintwork and tyres deteriorate very quickly in this tropical environment if they are not provided with any form of cover.

CHAIRMAN—I accept that, but I must say that I was a little surprised at the figures for the storage sheds, which ran through a range of figures, shall one say. But you indicated that the cost indices are even larger than those applying to Cairns, making it more difficult to do these at the rates that those of us in the south may have felt competitive, and it struck me that some of the figures given to the committee would buy a lot of canvas—that is in protection terms.

Brig. McCann—To answer that question, we have been criticised in the past for not providing shelters for our vehicles in the more benign climates of Australia. Your committee in the past has questioned me on exactly the same thing in places like Enoggera, Holsworthy and Puckapunyal, where we are not faced with the same levels of tropical decay.

Mr HOLLIS—We have questioned you on those terms, from memory.

Brig. McCann—Mr Hollis, I think you are correct. Canvas is a particularly expensive item. We are talking about military special equipment; we are not talking about readily commercially available items. So, if it is a military special, it can be quite expensive. The variation in price for these storage sheds is \$96,000 up to \$167,000, and that was really a reflection of the variation between the locations, of which I gave a couple of examples earlier. A storage shed is probably not an adequate description. As the sketch plans attached to the evidence show, there are some other minor administrative facilities associated with these storage sheds.

CHAIRMAN—Your briefings in hearings like this in the south have clearly been very extensive and you have finally converted me to the fact that you have to apportion the real cost against the depreciation that is occurring, so I hope you will be flattered by the fact that I was applying your southern formula to this northern exercise.

Brig. McCann—Thank you, Mr Chairman.

CHAIRMAN—I have actually avoided focusing on both the battalion headquarters and platoon exercises that we saw yesterday. I wonder whether committee members had general questions they wanted to ask before we specifically focused on the activities in Cairns and Atherton.

Mr HOLLIS—Brigadier, you spoke about the difficulties with the climate for the actual condition of the vehicles and other things. What difficulty does having two extreme climates here have for the logistics of the work—or would that be better addressed to Lieutenant Colonel Rerden?

Brig. McCann—The CO, as the local expert, could address that.

Lt Col. Rerden—The climatic conditions up here have probably three main areas of effect on our equipment. In those areas where we are located close to the coastline obviously there is a strong salt and seawater impact on the equipments. In particular, on the eastern coast of Australia in the Torres Strait, where the winds are very strong for a high period of the year, there is also a wind effect on equipments. In other parts of the area, particularly out in the gulf and on the western side of the cape, the sun itself is probably the greatest environmental influence on equipment, and there is significant degradation of any canvas type equipments, paintworks and that sort of thing simply by exposure to the sun. In the gulf area as well you have the wind effect coupled with sand and dirt whipped up by the winds, and they can have quite a devastating effect on paintwork and material type items.

Mr HOLLIS—Everything closes down during the wet, does it? You are not operational?

Lt Col. Rerden—That is not really quite correct. During the wet there is a significant impact on mobility in certain parts of the area, particularly the northern part of the cape and around the gulf areas on the larger river systems, where vehicle mobility is significantly restricted. The impact of that on our training and potential operations is that we need to have the equipment located in the patrol area so that they can conduct patrols in their immediate location and the focal area for their patrol. Indeed, that is a part of what the proposal is about in proposing patrol bases in the community location so that the equipment will be there throughout the wet season and can be utilised in their immediate vicinity without not being able to deploy it from the company headquarters location, as we would currently have to do.

Mr HOLLIS—One would hope that whatever these people are trained for does not occur during the wet.

Lt Col. Rerden—The wet is a factor that impacts on all persons trying to operate in the area, and so the effect of mobility applies equally to any adversary that may be trying to operate in the area as well.

Mr HOLLIS—Brigadier McCann, \$22 million is not an inconsiderable sum of money, is it? Do you think the taxpayer is getting value for their dollar?

Brig. McCann—Mr Hollis, I believe this proposal represents good value for money. With activities such as the Defence efficiency review trying to squeeze every last dollar out of overheads to save on operating costs, those savings are being directed to capability, and 51 Regiment is at the sharp end. There is a lot of talk about these savings being directed from the blunt end to the sharp end. You cannot get much sharper than 51 Regiment.

The detection role is a high priority capability. I explained earlier that detection is not undertaken in isolation by the regional force surveillance units; naval and air assets contribute to that. But, in a defence of Australia context, we talk now in terms of three operational dimensions: detection, response and protection. In particular, the army is being restructured to meet those three new operational dimensions, and the highest priority operational dimension is detection. So we are talking about a very important high priority capability which we are funding.

Much of this proposal is in fact related to defence capability and developing and sustaining capability. Also, there are some economic considerations associated with protection and security of equipment. We mentioned earlier the effects of the environment on equipment serviceability and life. There are also operating costs associated with that where, if we cannot guarantee the security or protection from the elements of items of equipment, equipments are actually brought back to company or battalion depots. So there are costs associated with relocating equipment from Cairns to the more remote areas, so there are operating cost savings there.

In terms of value to the taxpayer, this investment will in fact provide flow-on effects to the local economy in terms of gross regional product. So there are benefits there as well.

Mr HOLLIS—But that is not the role of the military—to stimulate the local economy—is it?

Brig. McCann—That is certainly correct. The military is all about the development and maintenance of defence capability. I suppose other people are interested in just how we might go about developing and maintaining capability if there are some

flow-on effects to other parts of the community, but certainly we are here to meet defence needs and defence funds are to be applied to capability development.

Mr HOLLIS—My final question, and please excuse my ignorance on this: I was quite interested in what you were saying about the three facets—detection and so on—but, really, we are talking about detection during only a period of difficulty. No-one seemed to have detected that steel-hulled boat that went aground wherever it went aground recently, and there have been other incursions in this northern part of Australia—not necessarily of a military nature but one could say that there could have been defence implications. If I wanted to spy—I am reluctant to use that word—or do something in northern Australia and I had a plane which I took a few photographs from and went back from where I came or if I wanted to land a few well-dressed Chinese here by getting a steel-hulled boat and sailing it down, who would detect these sorts of things? It seems to me that we are spending a lot of money on training people to detect whatever it is they are going to detect in northern Australia, but I wonder what the track record has been to date.

Brig. McCann—Thank you for that question, Mr Hollis.

Mr HOLLIS—I thought you would appreciate it.

Brig. McCann—It is important to recognise that, in peacetime or in times where there are no heightened security problems, the Australian army is all about training to meet periods of heightened tension or conflict. The convention in most Western nations is that the primacy of the civil authority applies. In peacetime the citizens of this country rely more on civil authorities, like the police, to meet the day-to-day security requirements.

The military, for most activities, can be called out only once there is some form of declaration. So the 51st Regiment is not involved in day-to-day operational activities. It is all about training and developing a capability so that in a period of heightened tension or during a conflict, when it might be called out, it is able to carry out the roles that have been assigned to it.

The present arrangements for security in normal times are a matter for other government agencies—Customs, police—although the navy and the air force have a role to play there. Certainly 51 Regiment is not on operations. It is merely training in the event that it is required to undertake operations. One of the principles at the moment is that we should train, structure and organise ourselves in peace to move readily to a conflict situation. That is why we are moving some elements of the army from the south of Australia to the Northern Territory—so they can become more familiar with the conditions and that environment.

The recent circumstance or the incident you described with the boat arriving in the Torres Strait really is not an issue for the army and particularly not an issue for the 51st

Regiment, because the 51st Regiment has no role to play at this time for any security operations in this region.

Mr HOLLIS—But surely it could have been an issue. The point I am making is that, okay, according to the media reports that boat carried illegal immigrants. What if that boat were on some other sort of mission? What if that boat were photographing and doing all sorts of things in the north? What if the people on that boat decided to invade one of those small islands? Surely, then, there are defence or military implications there.

Brig. McCann—Without going into too much detail, we do have intelligence gathering agencies not only in Defence but in other areas of government. There would have been some indication if there were a security threat, and other, let us say, non-routine type responses would have been taken to such a situation. But intelligence collection and dissemination is one of the highest defence priorities at the moment. Certainly there would be some indication of a security threat or certainly indications of some heightened tension. I think that other arrangements would have been made if those circumstances had been evident.

Senator MURPHY—I just want to ask some questions about the Thursday Island options—perhaps an explanation is all that is needed—and in terms of site issues that relate to all of those, including Weipa and Thursday Island. None of this money is for lease payments?

Brig. McCann—That is correct.

Senator MURPHY—I am assuming the new leases are land leases. Are they?

Brig. McCann—They would be a form of land lease.

Senator MURPHY—Do we know what period of time they are for?

Brig. McCann—At this stage we have been engaging in only very preliminary consultation. We do not wish to enter into any firm commitments until we know that this proposal is going to be agreed. But we were certainly looking at leases for a period of up to 25 years in the remote locations, and there would be a number of ways that those leases might be entered into. We would be using the services of the Australian Property Group to assist us with the negotiation and the arrangement of those leases.

Senator MURPHY—Would those leases be from the local community, the traditional owners?

Brig. McCann—In many cases those leases would be from the local community. What we would intend to do is lease from local Aboriginal communities and the state government, depending on ownership. In many cases the land is owned by local

communities under a deed of grant in trust, which has conditions over the use of the land and what the communities can do with it.

Senator MURPHY—The reason I asked that question is that the Quarantine Hill site had been identified as a possible alternative site. It is the subject of a native title claim. I assume that is currently either Commonwealth owned or state owned. Is it?

Brig. McCann—We would have to check and get an answer back to you on that. We have not pursued that further because we have found an alternative site which meets our requirements on Thursday Island.

Senator MURPHY—I do not have a problem with that except that I just wondered how far the naval fuel depot was from the Normamby Street property you currently have.

Lt Col. Rerden—The distance between those two properties is approximately 1½ kilometres.

Senator MURPHY—I just wondered about the efficiency of that.

Lt Col. Rerden—The situation on Thursday Island I guess is a fairly problematic one because it is such a small island. Land is at a very high premium for various uses. The options there were very limited. The current site did not really allow for further development because of its small size. The unit is currently leasing a vacant block to store much of the equipment in. So the options for purchase of additional land or use of additional land were very limited.

In looking at those, the fact that Defence had a property, a naval fuel storage area, that it currently owned but which was no longer being used for its original purpose in that the fuel tanks had been decommissioned started to provide some reasonable options. The distance between it and the headquarters location is not significant in terms of the internal operation of that company headquarters.

Senator MURPHY—Wouldn't it be better, though, if we had these co-located? Co-location would be much better. I assume it was certainly considered when you looked at the Quarantine Hill site.

Brig. McCann—Yes. Co-location would be the way we would go if we could. It just so happens that land on Thursday Island is at a premium. There is no single site where we could co-locate. However, it is not seen as a major issue. We are talking about only a small presence on Thursday Island and the distances are not great. In answer to your previous question about ownership of Quarantine Hill, that is presently Commonwealth land.

Senator MURPHY—If the Quarantine Hill issue were settled, would that be a

better site?

Lt Col. Rerden—If that site were available, it would present a viable site perhaps for co-location of the total entity. The situation with that site, I guess, is that our understanding of the native title claim was that the site would be an issue for some time and that it would really prevent resolution of our fairly critical situation up there in a short time frame.

Senator MURPHY—To me, it seems that it would be a much better option for you to have them co-located. It would seem to me that, in the longer term, it would be a much better arrangement both from a security point of view and from an efficiency point of view. I just wonder whether or not, in so far as Thursday Island is concerned, it is necessary that that be resolved as quickly as some of the others. You may well have to put in some storage facilities. I am wondering whether or not they can be made temporary—if there is a possibility of the Quarantine Hill matter being resolved, and I am saying that without any knowledge of whether it can or cannot be, how long it might take and what is involved.

Brig. McCann—There is always the issue that it might take a long time to resolve some of these issues. We have adopted probably the low risk approach. We certainly see the upgrading of the facilities as a priority. The conditions on Thursday Island at the moment are not good. But we also have a navy presence on Thursday Island. There are operational reasons for having some of the navy and army elements co-located. So we would still probably have a form of separation rather than an entire co-location on Thursday Island. We would be prepared to accept the very minor overhead associated with two sites for the operational benefits which we would gain by having the army and navy elements continue to operate from the existing facility.

Senator MURPHY—Did I hear someone say that the fuel facilities have been decommissioned?

Brig. McCann—That is correct.

Senator MURPHY—Why would it not be the responsibility of the navy to decontaminate that site?

Brig. McCann—If this proposal proceeds, the site would be decontaminated by Defence. All property and infrastructure assets of the navy, army and air force are considered to be Defence assets, corporate assets. In fact the investment program is a corporate program and is not divided into army, navy and air force components. The organisation I work for at the moment is restructuring. So assets are clearly considered to be Defence assets, not single service assets.

Senator MURPHY—I have a question on this proposed second option—Horn

Island. I have had a look at the map and I could not see the island. I could see the name. I do not know whether it is that small that you cannot identify it. It must be close to Thursday Island.

Lt Col. Rerden—I will point it out. Horn Island is larger than Thursday Island. On this map it is not marked as Horn Island.

Senator MURPHY—For strategic purposes!

Lt Col. Rerden—The reason for that is that that chart is an aeronautical chart and marks the airfield on Horn Island as Thursday Island. But the airfield that services Thursday Island is located on Horn Island, which is the larger island to the south of Thursday Island.

Brig. McCann—It is all part of our cover plan for security reasons!

Senator MURPHY—The reason I asked the question was that you say that it separates the main facility from what would appear to be the main infrastructure in that region.

Brig. McCann—That is correct. Horn Island is the location of the airstrip, but also we have a small parcel of land there which is suitable as a training area. So the Torres Straits company trains on Horn Island. We are merely planning to build some very minor facilities to support training. So it is not part of the administrative or home base of the company; it is a small training facility.

CHAIRMAN—I have one other question about the multiplicity of sites. We have talked about how economically Defence feels it can have various facilities constructed in these small locations. The committee has received a submission from a group appropriately called Shalom Development Services. If my Yiddish is right, 'shalom' means peace. Presumably Shalom Development Services are in exactly the same business as you are. I have the submission from Shalom Development Services asking that local communities be involved in the construction as far as possible and it have the opportunity to tender. Could you reassure the committee the degree to which Defence feels that, rather than allocating a total tender for the whole project, it will be able to involve local communities in the construction and, if appropriate, supply process?

Brig. McCann—Companies based in the north will have an opportunity to tender. We will follow the normal Defence tender process, however. I am required to do that. Value for money will still be a consideration. We would be of course keen to engage companies who can demonstrate a capability to work on remote sites and also have the capability to use local labour. That will become a consideration in selection criteria when we go out for registrations of interest and requests for tender. But the government does have a policy for creating employment opportunities for Aborigines and Torres Strait

Islanders. The federal government policy is to maximise employment opportunities for Aborigines and Torres Strait Islander people through Commonwealth purchasing, and what we are involved in is Commonwealth purchasing.

Tenderers are requested, where opportunities exist, to indicate how they will provide employment opportunities for Aboriginal or Torres Strait Islander people, indicating the nature and duration of the employment they propose to provide and the number of Aboriginal or Torres Strait Islander people who would be involved. That statement of Commonwealth policy is in fact included with our tender documentation. A similar statement is included in our design and construction contracts.

CHAIRMAN—I do not know about the Shalom group. Clearly, from the committee's point of view, they are like all other communities to the north and are welcome to participate. But what form of notification do you propose to use, particularly given the isolated nature of these communities? As Mr Hollis has said, it seems that in the wet they are almost isolated to the point at which even mail becomes a rarity? How can we ensure that they know about the tender process?

Brig. McCann—There will still be a requirement to compete for work. I mentioned the value for money issue and also fair and open competition. The government policy in relation to Aborigines and Torres Strait Islanders will be a consideration when we assess tenders. The *Australian* and the local Cairns paper would include notification of the registration of interest or the request for tender process. Also, the government *Gazette* includes those details. But really it is a matter of checking the *Australian* and the Cairns paper.

If this proposal does receive favourable consideration by your committee, as we further develop the proposal we would undertake some form of consultation with northern based builders just to alert them to the fact that we would be moving towards a tender process. Because Shalom in particular is based in Townsville, we would advertise in Townsville papers as well as the Cairns paper. So there would be the *Australian*, the Cairns local paper, the Townsville local paper and the government *Gazette*. Also, the unit based in Porton Barracks would be involved with us as we further developed proposals and we would fully brief the unit on where we were at with the tender process.

CHAIRMAN—If I were a resident of Cooktown, for example, I would probably get the Cairns newspaper rather than any other paper? Is that a fair assumption?

Lt Col. Rerden—Yes, that is a correct statement.

CHAIRMAN—I want to spend a few moments on the largest part of this proposal, which is the development of the headquarters facility here at Porton Barracks. I am conscious, Brigadier McCann, of the confidential cost estimates and I do not see any reason for the committee to go in camera, although we can do so if you wish. For the

Hansard record and to reassure the committee, could you comment on what is proposed here? It is obvious from the committee's inspection yesterday that congestion is always a problem on this location. It must be a particularly acute problem when you have an exercise. There is a proposal to move to a new site. Would you care to comment on the need for the new site, the advantage that Defence sees in moving to a new site and whether there is any disadvantage in moving from this relatively urban location to the new site?

Brig. McCann—Mr Chairman, this is quite a small site. It is just over one hectare—1.2 hectares. It is certainly quite crowded. We cannot create the necessary separation distances for some of the industrial type activities on the site. It is surrounded on three sides by urban development. There is a child-care centre just across the road. We have inadequate storage and inadequate accommodation for soldiers for training activities. The new site is in a more appropriate area zoned commercial and light industrial. It is a new development. It is about four hectares. In addition to that, the site has a high visibility and some profile which is very important for a reserve unit. A reserve unit needs to be very visible. It needs to have its equipment seen by the local population to attract recruits.

CHAIRMAN—Will having it in a shed make that more difficult?

Brig. McCann—There certainly will not be a shed in Cairns. I think, once we build a shed in some of the remote locations, a shed will probably be the most substantial building in the location and will probably be very visible. So there will be some profile in the remote areas. Other advantages of the new site are that it has ready access to some training areas, water for the watercraft training and there is some open country associated with the navy ammunition depot. So there is quite a large number of advantages associated with the new site.

One of the other factors of course is that, if we move to the new site, we will be able to market this site. We did consider various options and they are described in our written evidence. We do own another property at Mann Street. A number of options were based on redeveloping facilities here and putting some facilities at Mann Street. But, as Senator Murphy pointed out, you have all the disadvantages associated with separate depots, the overheads through not co-locating like functions. We will be in a position to market both this site and the Mann Street site. Once we take into account construction costs, costs for purchase of the land at the new site and anticipated revenue from Mann Street and Porton Barracks, the proposed option certainly then becomes competitive with other less cost options, as stated in the evidence.

CHAIRMAN—Even though the existing use of this site is neither industrial nor domestic, if I could make so simple a differentiation, this is nonetheless seen as a marketable asset.

Brig. McCann—This is seen as a very marketable asset. Land in Cairns is at a

premium. We had to go to some considerable effort to identify the proposed site to replace this depot. We would, as part of any marketing strategy, look at possible future zoning to maximise any return from the disposal of this and the Mann Street property.

CHAIRMAN—If that argument applies in Cairns, couldn't a similar argument be mounted in Atherton, where once again we are in an urban area with a facility that is being used principally for military purposes?

Brig. McCann—In Atherton that existing site does generally meet our requirements. So the situation is different from that applying here at Porton Barracks. We really just do not have the space we need here at Porton. The Atherton site is large enough to meet our requirements. We can redevelop that site. We have experience with similar facilities we built recently for the north-west mobile force. So we have a good feel for what we want to build at Atherton.

The Atherton site has the advantage of having some natural barriers to urban encroachment, with the railway line and the wetland area to one side. There are some commercial properties including a bus company on another boundary. Across the road there are about three houses. But that particular area has been rezoned by the local council for general industry and central business. So, in the longer term, the Atherton depot site will not have any problem with adjacent residential use.

CHAIRMAN—In the evidence given to us yesterday it is obvious that at Atherton at least two buildings will need to be demolished in order to do what you would with the site that you are now assuring us is where you would like it and is of adequate size. The committee also has a request from the Atherton Shire Council that they would be happy to make use of those two existing buildings. Can you, for the purpose of addressing the correspondence from Atherton Shire Council, comment on whether or not it is appropriate for Defence to make these buildings available to the council?

Brig. McCann—Under normal circumstances we would have arranged for the demolition of those buildings. My experience is that, for buildings of that size and type, generally they would not gain any revenue. A contractor would bid to remove the buildings from the site, make good the site and cap the existing engineering services. We would have no objection to the council doing the same sort of thing. However, that would be subject to the council being able to remove the buildings, making good the site to meet our construction program, and subject to the council's proposal not involving Defence in any additional cost.

CHAIRMAN—Or delay, I presume.

Brig. McCann—Or delay.

Mr HOLLIS—Some of those buildings go back some time. Don't they have some

association with the time when our friends the Americans were here? Has the Heritage Commission run their eye over them? Are there any heritage implications?

Brig. McCann—We commissioned a heritage assessment of the buildings at Atherton. The outcome of that heritage assessment was that, while the buildings are of a historic interest, that interest is not unique or sufficient that they be recorded on any heritage register, either the national register or a state register.

Mr HOLLIS—The heritage people have had a look at those buildings. What other consultation has there been? Does any of the various people or the communities have any objections to what is being proposed?

Brig. McCann—We have only recently received advice from Innisfail that the local council would prefer that in the longer term we relocate our facility. That has been unexpected on our behalf. However, we are not undertaking any significant work at Innisfail. We are spending something of the order of \$70,000, and that is basically maintenance work. It is not the sort of work that we normally would have included in a referral to this committee except we want to wrap up the whole of the work for 51 Regiment in a single proposal.

Our approach would be that it is only a minor work. It is maintenance work. We would continue to consult with the local authority regarding their longer term planning intentions. The site is on land leased from the state government. When our lease expires, we would certainly look at providing a new facility in a location which met the local authority's planning requirements, but at this stage we are undertaking only very minor work there. It is not as if we are rebuilding a facility. We are merely doing \$70,000 of maintenance work on an existing facility.

But, having said that, we are quite prepared to consult with the local authority about their longer term planning intentions and ensure that our plans for any significant work at Innisfail would be consistent with the longer term planning intentions there.

Mr HOLLIS—You are convinced that Cairns is the most appropriate place for the location of the headquarters?

Brig. McCann—The area of responsibility of the whole battalion is such that the regimental headquarters and the company headquarters need to be located in the major population centres. It just happens that Cairns, as the largest population centre, can certainly provide the support needed for the battalion headquarters and its administrative company. The battalion has four companies—one in Cairns, one in Weipa, one in the Torres Strait and one in Mount Isa. They are the three largest regional areas other than Cairns. So that disposition fairly comfortably meets the demography and support infrastructure in this region.

Mr HOLLIS—Just one question on recruitment: I know that the chairman asked you before about the composition of that, but how do you recruit people to the regiment? Do you advertise in the paper, is it through word of mouth, is there a waiting list or what?

Lt Col. Rerden—There is a multi-pronged approach to recruiting, I guess, in our unit. Because of the diverse nature of our area and of the population and the demographics applied to our area, we use different means. There is a general army reserve recruiting advertising program which is applied in this area as it is in other parts of Australia through various media—newspapers, radio, TV, et cetera. We have a recruiting cell that is located here in Cairns. It conducts formal recruiting briefings to various elements around the Cairns area and in the tablelands et cetera. We have open days in various locations to try to attract recruits to the unit.

In the remote areas we rely on recruiting tours, where the local company commander from that company in conjunction with some of the specialist recruiters from here in Cairns will do a tour of the communities—both the Aboriginal and the Torres Strait Islander communities in their respective areas—and speak to the local people about the unit, how we conduct training and the role that we have and try to engender an interest in the unit in that way.

Obviously, though, we rely on the fact that we have members already in most of these areas, and word of mouth is an important part of recruiting for our unit as well. Due to the fact that the senior members of the communities have got a good understanding of the unit over the 10-year period that we have been operating in these areas and they have a respect for the unit and the way that we have approached our training with their people, they are very supportive of our recruiting efforts and assist us in that regard.

CHAIRMAN—On that note, I would like to go one step further, particularly given the nature of the work we are considering. Brigadier McCann, what do you see as the future of the army reserves? Do you see a greater expansion of the role of the reserves? What direction is army taking in this community involvement? That clearly has a good deal of implication for not only this proposal but any other reserves proposal that we may have to consider.

Brig. McCann—Present plans to restructure the army are strongly founded on an integrated army—that is, an army composed of part-time and full-time members. We simply cannot afford a full-time army and hope to meet the capability and operational requirements which the government would like us to meet. The army is restructuring so that part-time members are fully integrated into units. Some units will be about a 50:50 mix of part-time and full-time members. Others will be full-time members heavy and others will probably have more part-time members.

That mix of part-time and full-time members will be influenced by the readiness requirements imposed on a particular unit and also by the sort of equipment or the

technical complexity of the role of that unit. In the case of 51 Regiment, about 10 per cent of the unit is full time, but it is really unique—apart from the other two: the Pilbara Regiment and NORFORCE—and probably not a good comparison because, while it has a very high priority task and has a readiness requirement, we rely heavily on local knowledge for the very specialist role of the unit. In other circumstances you would expect a unit on a high readiness notice to have a much greater full-time membership than 51 Regiment.

Having said all that, the long-term future for the army is one of integrated part-time and full-time units. Restructuring of the army proposals indicate a long-term future for the regional force surveillance units. In fact, while the rest of the army is being stood on its head, the only constant about the army at the moment has been the three regional force surveillance units. I think that is a very strong indication of the importance of the role and the confidence that the army has in the present arrangements for the three regional force surveillance units.

To comment on the commanding officer's description of the recruiting activities, 51 Regiment is manned to its full establishment. That is, first, a very good indication of the success of the commanding officer's recruiting campaigns and, second, a very strong indicator of community support for the army reserve in this part of the country. I think there are many social benefits to be gained, as well as the economic benefits, from the \$2 million operating costs a year which the regiment puts into the local community. There would not be many part-time heavy units in the army manned to their full establishment.

CHAIRMAN—I congratulate you, Brigadier and Lieutenant Colonel Rerden. It is obvious to any one of us that community involvement is essential if we are to be serious about any sort of surveillance of the north. There being no other questions, are there any comments that Brigadier McCann, Lieutenant Colonel Strachan, Mr Tonkin or Lieutenant Colonel Rerden wish to make at this stage?

Brig. McCann—Will other witnesses be appearing?

CHAIRMAN—It was my intention to call the Johnstone Shire Council and then break for morning tea and recall Defence.

[10.18 a.m.]

MOYLE, Councillor Barry David, Mayor, Johnstone Shire Council, PO Box 887, Innisfail, Queensland 4860

PARAKAS, Councillor Peter, Johnstone Shire Council, PO Box 887, Innisfail, Queensland 4860

CHAIRMAN—The committee has received a submission dated 3 July 1997 from the Johnstone Shire Council. Do you wish to propose any amendment?

Councillor Moyle—Yes. I would, firstly, like to welcome you to this lovely part of Australia—North Queensland. I am sure the climate is a little more pleasant here than where you have come from.

CHAIRMAN—You are quite right, and I would like to reassure you that we felt welcome.

Councillor Moyle—I only recently became Mayor, in March of this year, so I am not sure whether the 51st Battalion had been dealing earlier with the Johnstone Shire Council on this matter. I have recently received across my desk the redevelopment of the 51st Battalion and, when looking through it, I noticed that they were doing what they called ‘minor works’—mentioned before—on the Innisfail site.

CHAIRMAN—Excuse me, Councillor Moyle. There will be an opportunity for you to talk to this in a moment. Do you want to amend the letter that we have received from the Johnstone Shire Council?

Councillor Moyle—No. We stand by the recommendation in that letter: that the A Company and 51st Battalion be relocated to the Innisfail aerodrome.

CHAIRMAN—It is proposed that the submission and the Department of Defence response 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—

CHAIRMAN—Councillor Moyle, I invite you to make a short statement in support of the submission, before we proceed to questions.

Councillor Moyle—Thank you. Councillor Parakas has some handouts to give you. We also have some aerial photographs of the sites. I have heard that you have done some travelling around the north, but I am not sure whether you have had an opportunity to look at the Innisfail site.

CHAIRMAN—In fact, we have not had an opportunity to see the Innisfail site first-hand.

Photographs were then shown—

Councillor Moyle—You will see from the first photograph that it is in the middle of a built-up area. Our major primary school is directly opposite the army reserve development in Innisfail and it is totally surrounded by park reserves. You will notice the netball courts on the right-hand side; the major football facility in the shire; and, on the left-hand side, our major tennis court facilities. The Innisfail State Primary School, our major primary school in the area, houses something like 600 children.

If you turn over the page you will see some other photographs of the 51st Battalion A Company in Park Street, Innisfail. The Johnstone Shire Council now has a proposal to close off Park Street and redevelop it into another playing field, and also provide a running track for our school—which, at the moment, it does not have. The school was established there many years ago, as was the army reserve. It has grown and used up all its area, and now they do not have a running track. You will also see in those photographs the shop and, looking up Park Street, the main entrance to our football area, and the close proximity to the netball courts.

We have also included some aerial shots of the Air Training Corps, which is also in a residential area. Although the Air Training Corps is not part of this submission, I think the Johnstone Shire Council will request that perhaps your committee could consider the redevelopment of that as well. Brigadier McCann mentioned before that they would like to consider the army, air force and navy all at once and, as it is a public works program, perhaps that should be considered as well. The Air Training Corps is on a freehold site. The council is making a recommendation that the government may then be in a position to sell those off. They are two separate house titles. You may be able to sell off those blocks and assist in the relocating of both the army reserve and the Air Training Corps.

We also have some aerial photographs of the aerodrome at Innisfail. Our aerodrome is already used extensively by the defence services. We have quite a lot of army activities there. Apart from the particular facility here, it would probably be one of the most used military facilities in North Queensland. We also believe that the relocation

of the army reserve will create a lot of benefit for our community in the proper long-term management of the park area and the extension of the park area adjacent to the school grounds, therefore providing the running track for the school, and in the long-term planning for an aquatic centre in that area. We also have provision for a parking area to get vehicles off the streets. We would like to enhance the school environment. The department of education have committed \$60,000 to \$80,000 to this project, and so we are working cooperatively with the them.

CHAIRMAN—What did you mean when you said ‘to this project’?

Councillor Moyle—For the closing of Park Street and the establishment of the running track and football field. We believe that, if the Air Training Corps moves out to the aerodrome facility, they will have an improved parade ground and room for expansion, and the possibility of conducting flight training skills at their own centre. Field training could also be done on the site. The aviation atmosphere could encourage more youth to become involved in the Air Training Corps; and, if they purchase their own plane, it could be possible to hangar it at the facility.

We see the benefits to the aerodrome as being a greater use of the aerodrome area and facilities, and an enhanced partnership between the aerodrome management committee and the Department of Defence. The relocation of similar services to one site is a quality town planning management issue.

We believe that the benefits to the army of relocating to another site would include the opportunity to redesign their current use area; the possibility to expand the operational area—as you can see from the photographs, there is quite an area there; the encouragement of more intensive use of the aerodrome by the Australian defence services; the provision of a secure area for defence vehicles and equipment during exercises held at the Innisfail area; the improvement of the drill parade for personnel training; and the provision of large, open areas for army reserve personnel training. We believe that the benefits to the army reserve would include a better facility to encourage increased recruitment in the area, and a cross-fertilisation of interest between the Air Training Corps, the army, the aero club, aerodrome management, commercial and private operators in the area, and the defence services.

We believe that this would be a win-win situation for all concerned. As members of parliament, I know you have to consider the benefits to the community as a whole for the tax dollars that you are spending. We believe that this recommendation to your committee may save dollars in the long run, although it may be more expensive to relocate in the short term. The council would be very interested in assisting the defence services to relocate by providing the drill parade grounds or whatever, going up to the tarmac level. I am sure that the council would be more than interested in doing that.

I am not sure how long the current facility has been there, but it would have to have been there for 40 or 50 years. When it was first established, I am sure it may have

been an appropriate site, but you can see from the photographs that it is not an appropriate site now. There even used to be a rifle range on that site where 303s bored down to 22-calibre size were used. If we were to operate that there now, there would be an outcry from the community, as the school is directly opposite.

We believe that there is an opportunity to look at the redevelopment now. We have the involvement of our local community, who have supported us wholeheartedly. The Air Training Corps is very keen to move out to an aviation area. The football club is wholeheartedly supporting the Johnstone Shire Council. The park management committee is also interested in the long-term management of that area. The council is obviously behind this, as we have written to you already. The netball group is definitely behind us. I am sure that the army would be interested in it, although—

Senator MURPHY—Have you advised them?

Councillor Moyle—The first information that I received of the relocation was only a couple of weeks ago. I contacted Mike Fetter, the secretary to this committee, and he advised me to send a fax to you and to the Department of Defence. We have received a reply from the Department of Defence. It seems that their only objection is the distance from their recruiting base. In our report to the committee you will see that the distance from our post office to the airport is only 5.8 kilometres. The distance from the post office to the current site is about one kilometre, so it is not as if we are so far away from our recruiting base that it is going to make a lot of difference. Although it may be decentralised, Innisfail and the Johnstone Shire have a lot of small community centres around the shire. Although it may be further away from some centres, it is a lot closer to others.

Gentlemen, I put the submission to you and request that you consider Johnstone Shire Council's recommendation. I am sure the council and all the others involved would be more than interested in working with your committee and the 51st Battalion to help facilitate this relocation.

CHAIRMAN—Councillor Moyle, I propose to break for morning tea and then come back to allow time for questions. Can I just briefly say, though, that I suspect from what you have said that Platoon A Company may be feeling a little under siege at this stage. My own view, as chairman of the public works committee, is that, regrettably—and this does not put all of this out of court—it has come at the wrong time. It would have been useful had this discussion been held with Army six months ago. There is no reflection on Johnstone Shire Council in my making that comment.

We are here to determine whether or not it is appropriate to undertake the works proposed for Cape York Peninsula, and part of our brief is not what happens to the ATC. Later in question time we can talk about that, but our brief is really entirely what happens to Platoon A Company and whether or not it is appropriate to spend what is a relatively

small amount of money at this stage. You may well feel that the expenditure of any money would tend to give a permanence that is inappropriate. We can discuss that with Defence, but I just need to indicate to you that we cannot easily deal with ATC. That is a matter, I suspect, for planning and negotiation between yourselves and Defence, and part of that negotiation could be what happens to Platoon A Company at Innisfail.

Our proposal is about whether it is wise to spend a relatively small sum of money in tidying up—for want of a better word—the facilities that are there. That is merely a comment that I make as chairman of the committee, prior to suggesting that we break for morning tea and reconvene at 10.45 p.m. Having been here yesterday and sampled something of the mess sergeant's capacity to provide morning tea, I can assure you that one of the highlights of the morning's briefing is about to occur!

Short adjournment

CHAIRMAN—Mayor Moyle, as I indicated to you in my remarks prior to morning tea, it is somewhat regrettable that we are dealing with this at this stage—because, in fact, what happens to the ATC is not within the purview of this committee. If we were a planning committee, what you said would be entirely appropriate; but we are the public works committee looking at a proposal to spend \$22 million on defence facilities on Cape York Peninsula.

You have, nonetheless, put to us a proposal that I think deserves consideration, because we would not want to waste taxpayers' resources on a facility that may, for one reason or another, not have a future life through the next decade or so. I wonder, therefore, if you believe that the Queensland department of education, for example, would be happy to entertain the thought of purchasing the existing site from Defence in order to enable Defence to consider its relocation?

Councillor Moyle—You have a lease there at the moment, so I am not sure whether they would purchase the existing site from you. You have a lease which runs out, I think, in May 2009. While that is probably a long-term planning issue, the Johnstone Shire Council would certainly like to encourage the army reserve to relocate before that time. The pressures on the council, and the development of that existing facility as a sports and recreational centre, are going to far outweigh the needs for our army reserve in that particular location.

CHAIRMAN—I can tell you that I know the sort of encouragement that works, and I am wondering if you are proposing to offer some of those sorts of incentives to Defence.

Councillor Moyle—If we are able to get into some dialogue with the Department of Defence, between the councils and maybe even some of the other organisations that are involved, we would certainly like to encourage them, whether by financial contributions or by establishing some of their infrastructure at the proposed site. Whatever we can do to

encourage that to happen, I am sure the council would be more than interested in discussing it with the Department of Defence.

CHAIRMAN—Obviously, Defence will be recalled and the *Hansard* record will show that you are happy to pursue that sort of encouragement, and we will look at the sensibility of what is proposed for Innisfail in the light of the evidence you have presented.

Senator MURPHY—Obviously, the council has been considering this issue for some time and it has held discussions with the education department and with, I would assume, your football clubs and other sporting bodies that have grounds located around that facility. When did you start the consideration of what you are proposing?

Councillor Moyle—It has been proposed for almost 12 months. We were going to close Park Street, which the army reserve is located on, only up to the entrance of the army reserve; and there would be a cul-de-sac there allowing them entrance to their facility. In the past, I believe, the council has wished that the army reserve would move; but, whether there has been just a perception there or whether there have been some actuals, I think the council has always had the perception that the army reserve were never going to move.

Senator MURPHY—I am curious as to whether or not the council has ever actually approached the Department of Defence for the purposes of seeing whether they would move and whether there has been any correspondence forwarded to the Department of Defence with regard to the proposal that you have brought before this committee.

Councillor Moyle—I had a discussion with the person who was mayor of the Johnstone Shire two councils ago and I recall now that, when the army asked for an extension of the lease of the facility that they have at the moment, at that time the council did object to the lease being extended to the year 2009.

Senator MURPHY—When was it extended?

Councillor Moyle—I have been informed that it was in 1989.

Senator MURPHY—As the chairman rightly pointed out, it presents us with a bit of a dilemma in so far as we are here considering a proposal from Defence that, for all intents and purposes, has been through the consultative process and we have a council that appears before us and says, 'We want them out of there.' It is not that I disagree with the reasoning, but it does pose a bit of a problem in that there would appear to be little or no contact with the Department of Defence in so far as the shire's proposal is concerned. I think that is a little worrying, in itself.

Councillor Moyle—That concern could go both ways. From speaking to the

brigadier at morning tea, I found that they believe that this is only a minor works program and that they did not see the need for an extensive consultation process with the local community in the Johnstone Shire—and I can understand that. They probably think that it is just a bit of a tart-up and it will be right.

Senator MURPHY—I suppose that, if it were within the confines of their lease agreement, they would not necessarily have to have a discussion with the shire about that sort of thing.

Councillor Moyle—I am sure that, if the army reserve were in a different location from what it is in now and the 51st wanted to renovate it and put another four carports in, the council would have no concern at all. But, because it is in the location that it is in at the moment—and I only saw the redevelopment submission two or three weeks ago—it gave the council the opportunity to raise once again concerns about the army reserve being there and to have a look at the longer-term picture of redeveloping and relocating them.

There is no point in my coming to you and saying, ‘No, we don’t want them there’: I need to be prepared to put up some alternative, and so I tried to think of other suitable sites. Our Innisfail airport—which, as I said before, is extensively used by defence services already—seemed a logical extension to the usage up there. We are also trying to look at the broader picture again, funding it with the sale of the Air Training Corps blocks—and I am sure that council would probably look at some sort of contribution as well.

Senator MURPHY—If the Department of Defence were to actually propose to the council that it would do certain things and whatever it was proposing to do fell within the criteria of its lease, it would not have to notify.

Councillor Moyle—That would be correct, yes. That particular lease is for military activities, and what they are doing there is quite within that lease and there are no problems. As I said, apart from its being in the location that it is in, we would have no concerns at all with those sorts of modifications. But, it being in that location, we saw this as the opportunity to arrange it with the defence department and yourselves. If there were any way that we could facilitate an early relocation of the army reserve, we would do it.

CHAIRMAN—We will recall the Defence witnesses and invite them to comment on the proposal you have put, Councillor Moyle. Before I do so, without wanting in any sense to put words in your mouth, I am presuming from the conversation we had over morning tea—and I seek your confirmation or denial of this—that the community of Innisfail is very pleased to have the facility located at Innisfail and, in fact, to be associated with the 51st Battalion and its reserve activities.

Councillor Moyle—Certainly, the Johnstone Shire is; and we are pleased to be involved with the defence services at our airport facility as well. The social structure of a

small rural community like Innisfail needs to have organisations like the army reserve and the Air Training Corps operating in that type of area, where you can have younger people being involved in a very honourable activity. I think it is good for our community; we encourage it and that is why we are putting this submission to your committee. We would like to enhance the relationship we have at the moment between the Department of Defence and the citizens of the Johnstone Shire.

CHAIRMAN—Thank you for appearing and for the evidence you have presented.

[11.00 a.m.]

McCANN, Brigadier Raymond Leslie, Director General Accommodation and Works—Army, Facilities and Property Division, Department of Defence, Campbell Park Offices (CP3-2-15), Department of Defence, Canberra, Australian Capital Territory 2600

RERDEN, Lieutenant Colonel Malcolm, Commanding Officer, 51st Battalion Far North Queensland Regiment, 45 Till Street, Cairns, Queensland 4870

STRACHAN, Lieutenant Colonel Olga Nina, Project Director, Facilities and Property Division, Department of Defence, Campbell Park Offices (CP3-2-21), Department of Defence, Canberra, Australian Capital Territory 2600

TONKIN, Mr Ross David, Managing Director, Ross Tonkin and Associates Pty Ltd, 26 Mitchell Street, Darwin, Northern Territory 0801

CHAIRMAN—I welcome back witnesses from the Department of Defence, and Mr Tonkin. Brigadier McCann, you have heard the evidence given to us by the Johnstone Shire Council and you may wish to comment on it. You may also wish to make comments on any other part of the proposal currently being considered by the public works committee, and I invite you to do so now.

Brig. McCann—I personally regret very much that the Johnstone Shire Council was not consulted as part of this process. I did say the reason for that was that we were only spending \$81,000 at that particular location. There are 22 sites where we are proposing to do work throughout the region, and consultation has happened at 21 of the 22 sites. I regret the one exception; it is certainly not part of our normal processes. We make a practice of consulting with local authorities and communities, and I regret that we have not done that.

Having said that, we have a fixed budget for this proposal that cannot be exceeded. If I were to attempt to meet the council's requirement, I would have to give up some work somewhere else in this particular proposal, and it could cost in excess of \$1 million dollars. I am not in a position to do that.

At the moment, the Innisfail facility pretty much meets our requirements. Much of the airfield use has been by organisations other than 51st Battalion. For example, a large 3-brigade exercise deployed through that airfield recently. The airfield is really starting to detract from public profile and visibility in terms of recruitment for a reserve depot—and we mentioned the importance of those considerations earlier.

Having said that, I am very sensitive to the council's concerns and their future

plans. We would wish to work together with the council in meeting its long-term planning requirements. The commanding officer has not, in his time in the job, had any complaints from the community or any authority at Innisfail. I have been involved for many years in my present job, and this is the first time I have become aware of this situation.

I would not wish to see the Innisfail issue prejudice in any way the remainder of the proposal. I am quite prepared to delete Innisfail from the scope of works of this proposal so that it does not become part of the referral to this committee. We could simply delete that particular item from the scope of works. We would be able to live with that, although with some minor hurt.

As to what we might do in the longer-term, council would have to write to the Department of Defence outlining its longer-term plans, noting that we do have a lease to the year 2009. Any proposal for the relocation of that facility would be a reasonably low priority in the overall Defence priorities, so a proposal would have to take its turn on the medium works program. My assessment is that it would take many years for such a proposal to gain status, unless there was some very good argument put forward by council as to why the site was unacceptable and imposed some difficulty or concern for the local community. Certainly, now that we are aware of the problem, we can start to plan on the basis of relocating the facility in accordance with normal programming processes and other defence priorities.

The process would be helped if council were prepared to make some contribution and were able to provide some indication of why the existing arrangements are unacceptable to the community. At this stage, I am quite prepared to delete Innisfail from the scope of this reference to your committee, if that is an acceptable procedure.

CHAIRMAN—I would see nothing procedurally unacceptable about it, and the committee will consider that prior to its report to parliament. It struck me that, given the Prime Minister's warning about self-flagellation, you have been remarkably contrite—almost dangerously so, in this context.

Brig. McCann—I would not make a good politician, Mr Chairman.

CHAIRMAN—The comment you made certainly allows the committee to ensure that dollars are not spent on a facility that may have a life that would see those dollars depreciate over an appropriate length of time.

Brig. McCann—I would agree with that, Mr Chairman. That is our normal process, anyway.

Senator MURPHY—Concerning the Johnstone council's raising the issue with the committee, I do not know what scope this committee has for dealing with the matter that has been brought before it; I guess it is something that we would probably have to

consider as a committee. As far as maybe assisting the committee goes, is there any capacity for Defence to have some discussions in the short term with Innisfail or the Johnstone Shire Council to determine whether there is any potential for an alternative site, whether it be at the airfield or somewhere else?

Brig. McCann—The difficulty, if we were to investigate such a course of action as part of this proposal, is that we would have to give up something elsewhere.

Senator MURPHY—I am not asking that. I accept that wholeheartedly and totally support that view. Now that we know this is a problem for the shire, I want to know whether there is any capacity on behalf of Defence to have some early discussion with regard to the longer term. I am not posing it as a matter that should be considered in so far as this proposal is concerned. I would like to know whether the committee may be able to make some recommendation as part of its overall recommendation, but separate from the proposal it has from Defence.

Brig. McCann—Yes, Senator. I mentioned earlier that council should really write to the Department of Defence, outlining the existing situation and their difficulties with that. The solution to that particular problem is not going to be work of the magnitude that would be referred to your committee. It is really a matter for resolution between council and the Department of Defence.

CHAIRMAN—I accept that. Furthermore, it would clearly be in council's interest to have other parties who are also interested in assisting with any costs incurred. But I am sure council does not need that sort of advice from a federal committee. Brigadier McCann, are there any other summary statements that you or your officers wish to make concerning the submission currently before the committee?

Brig. McCann—In closing, I would indicate that this particular proposal has a high defence priority because it is directly related to the development and sustainment of capability—and a high priority capability at that, as the capabilities cover the very important detection capability.

I also have some correspondence for the committee which I would table. The first item concerns a request for concurrent documentation. In the capital investment submission relating to this proposal, Defence indicated that it would proceed with concurrent documentation. I am now writing to your committee to seek your agreement to Defence undertaking concurrent documentation for the proposal—that is, documentation in the period up to parliamentary consideration of the expediency motion. We would not expect that that would be a large sum of money.

The second item of correspondence seeks the committee's agreement to Defence advertising for expressions of interests and requests for tender for the proposal prior to the expediency motion in parliament. This request is, of course, based on the

Commonwealth's not entering into any commitment whatsoever prior to parliamentary approval—if, in fact, your committee agrees that the proposal should proceed.

CHAIRMAN—Thank you Brigadier McCann. We will consider both of those submissions and I will, in fact, at the conclusion of the hearing, discuss with you the committee's timetable. We have inspections in New South Wales prior to the parliament being resumed in the last week of August. It would seem inappropriate, I would have thought—and I will discuss this with you—to leave the decision until parliament resumes. If we can find an appropriate time, when we have a quorum of the committee, we will consider both those letters.

Brig. McCann—Thank you very much, Mr Chairman.

CHAIRMAN—As there are no further questions, it is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. There being no objection, it is so ordered.

The correspondence read as follows—

CHAIRMAN—Before closing, I would like to thank the witnesses who appeared before the committee today and those who assisted in our inspections yesterday. I would also want to thank my fellow committee members, *Hansard* and the committee secretariat.

There will be among this gathering—and we are all taxpayers—taxpayers who will think that the committee has moved north simply because of the weather. There has been, in fact, even a comment or two from the Johnstone Shire Council suggesting that this is an appropriate time to come. Can I reassure all of you that this is the one committee of the parliament that does not create its own references; that it has references given to it as a result of the trigger mechanism of the funding level; and that while, clearly, we thought it entirely almost appropriate to be heading north at this time of the year, it was not a decision deliberately taken by the committee. Having said that, can I say that we have all been very pleased, particularly from the committee point of view, the *Hansard* point of view and the secretariat point of view, to be here and to have come from the south to join you here in the north.

A special vote of thanks is due to the 51st Battalion, Far North Queensland Regiment for making this venue available for the public hearing. I would also indicate to Brigadier McCann and Lieutenant Colonel Rerden how much we appreciated the time they spent yesterday acquainting us with what the 51st Battalion is about. As a member of the Australian civilian community, I found it reassuring not only to be aware of the activities of the battalion but also to discover the degree to which there is community interaction, which has so much characterised the 51st Battalion and which enables it to do its work. I congratulate Defence on that successful interaction.

Resolved (on motion by Mr Hollis):

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

Committee adjourned at 11.15 a.m.