

Issues and Conclusions

Need for the Works

- 3.1 The Committee accepts, as did the Committee's inquiry into Stage 3, that over the 30 years since Lavarack Barracks was established in Townsville facilities have been progressively updated and that there are still considerable works needed to fully refurbish the facilities within the Barracks¹. According to Defence, the current works (Stage 4) will focus on the support infrastructure for combat capability and as a priority, on facilities for 3rd Combat Engineer Regiment, 4th Field Regiment, B Squadron 3rd/4th Cavalry Regiment. The redevelopment of the Area Gymnasium will be programmed under this proposal when resources are released from other sites.² In addition a new Regimental Aid post will be provided to supplement services delivered by the existing Lavarack Barracks Medical Centre.³
- 3.2 Apart from the new Aid post, the facilities at each of the sites to be the subject of the redevelopment are described by Defence as in generally poor condition, inefficiently laid out and have occupational health and

1 Lavarack Barracks Redevelopment Stage 3, op.cit. , paragraph 5.1

2 Appendix C, Submission No.1, paragraph 64

3 ibid., paragraph 11

safety deficiencies attributable to substandard, cramped and temporary working accommodation.⁴

- 3.3 The condition of buildings described by Defence was reinforced in the course of the Committee's inspection of Lavarack Barracks. A number of sites were clearly inadequate for operational needs, particularly the lack of covered vehicle facilities, and maintenance depots, which, in the context of the former would not meet occupational health and safety standards⁵. Similar observations were also made the during the Committee's earlier inquiry.⁶
- 3.4 Defence is to be complimented on its decision to proceed with the current project utilising a mix of new build and adaptive reuse of existing facilities that will address all of the project objectives while providing the best value for money.⁷ This is in contrast with previous stages of the redevelopment of Lavarack Barracks that predominantly involved new construction works.
- 3.5 It is the Committee's understanding that there are currently 81 buildings in the precincts identified for redevelopment. When the project is completed, there will be approximately 59 buildings of which 30,000 square metres will be new buildings and 22,000 square metres of reusable space.⁸
- 3.6 The extent of the refurbishment of existing buildings will include repairs and maintenance, rectification of occupational health and safety deficiencies and the general upgrading of finishes, consistent with building codes and standards, in addition to providing Building Management Systems to monitor energy use.⁹

Maintenance of the Facility

- 3.7 During the course of the site inspection by the Committee, the department in its commentary, referred to problems experienced with maintenance of buildings and facilities. Defence informed the Committee that in addition to those other factors justifying the need for the work, building maintenance as a consequence of a shortfall in available funding for

4 *ibid.*, paragraphs 13,16, 20 and 21

5 Appendix D, Official Transcript of Evidence, p 3

6 Lavarack Barracks Redevelopment Stage 3, *op. cit.*, paragraph 5.2

7 Appendix C, Submission No. 1, paragraph 26

8 Appendix D, *op.cit.*, p. 11

9 *ibid.*, paragraph 27

regular maintenance was also an issue. The department explained that this had come about as a consequence of changing priorities within the precincts of the Barracks, resulting in the diversion of funds nominally identified for maintenance works to the detriment of an ongoing building maintenance program.¹⁰

- 3.8 Furthermore Defence advised that some facilities had become run down largely through obsolescence. Workshops, transport yards, and storage facilities installed several years ago were designed for equipment no longer used by the Army. Similarly office accommodation constructed 40 years ago no longer meets a number of standards, including occupational health and safety requirements as well as current building codes.¹¹
- 3.9 Defence advised in its Statement of Evidence, that one of the objectives for the proposed works was the reduction in maintenance expenditure on buildings and infrastructure.¹² However, this will not obviate the need for a building maintenance program in the future. The absence of a formal program of building maintenance, unsupported by an appropriate level of funding is an issue that the department needs to give attention to, given the considerable investment of Commonwealth monies on this project.

Recommendation 1

The Committee recommends that Defence consider seeking a regular allocation of funds to provide for an ongoing building maintenance program with a view to extending the life of works associated with Stage 4 of the redevelopment of Lavarack Barracks.

Project Costs

- 3.10 The Committee was asked to consider the proposed Stage 4 redevelopment at an estimated cost of \$207.2 million. This includes all planning and approval costs, management and design fees, construction costs, furniture and fittings, contingencies and escalation.¹³
- 3.11 The Committee was concerned that Defence did not include in its documentation any reference to preliminary financial commitments

10 Appendix D, Official Transcript of Evidence, p.12

11 loc. cit.

12 ibid., paragraph 2

13 ibid., paragraph 49

entered into by the department on pre-development works. The Committee acknowledges the need for preliminary expenditure to bring a project to a point where it could be referred, but that this type of expenditure had the effect of distorting the total amount of expenditure on the project.

- 3.12 In the interests of greater openness, transparency and accountability it was important from the Committee's standpoint that the total costs associated with this project be provided by the department.

Recommendation 2

The Committee recommends that in the interests of transparency, all future Defence projects provide full details of any development funding applied to the works.

Savings

- 3.13 Defence informed the Committee that the Stage 4 redevelopment of Lavarack Barracks would, by employing a mix of new buildings and the reuse of some existing facilities, provide an estimated cost savings of \$34 million.¹⁴
- 3.14 Should further savings be realised either through value management or through implementing other cost-saving measures, Defence would, subject to Committee scrutiny, apply these to several deferred projects so as to maximise the scope of the project within the allocated budget of \$207.2 million. These deferred works include:
- 1st Military Police Company;
 - Western wash point; and
 - Gymnasium refurbishment.

Recommendation 3

The Committee recommends that at the earliest opportunity Defence provide details of the amount of savings that have been achieved in the development of this proposal, and whether these have been applied to deferred works.

Master planning considerations

- 3.15 The Committee sought advice on the planning process associated with the redevelopment of Lavarack Barracks. Of particular interest was where it figured in an overall Defence master plan for the location of units, and whether the proposed works were linked to and synchronised with other facets of Defence planning. Particular note was made of the incremental approach in the overall redevelopment of Lavarack Barracks and whether these works should have been undertaken as one single project rather than in the four stages that characterised the current process.¹⁵
- 3.16 Defence explained that the *Force Disposition Review* which looks into the long-term location of units and bases around the country, while still being considered by the department, proposed that Lavarack Barracks be retained for the long term. In addition to this process, the Army publishes a document giving Army's short-, medium- and long term intentions with regard to facilities, unit requirements and unit locations. Defence informed the Committee that in the preparation of this proposal both the *Force Disposition Review* and the *Infrastructure Strategic Planning Guidance: Army* were considered.¹⁶
- 3.17 As regards the current project, the Lavarack master plan was produced in 1998-99, and the works currently proposed are in the context of that plan. It is proposed that this plan will be updated by the middle of the year and that it will embrace a specific precinct plan for Lavarack Barracks Stage 4.
- 3.18 On the issue as to whether, since planning for Lavarack Barracks was as yet unresolved there may be the possibility of a shift in planning priorities, Defence advised the Committee that the higher level master plan seldom changed from review to review, but what did change were those plans at the micro-level that were base/precinct specific.¹⁷

15 Appendix D, Official Transcript of Evidence, p. 7

16 op.cit.

17 op.cit.

3.19 In this regard, Defence informed the Committee that:

As part of the project development for previous stages of Lavarack Barracks and for this stage, we have undertaken a comprehensive precinct planning activity which is built on the previous planning that was done in the previous stages and reinforces what was done in those stages.¹⁸

3.20 The Committee was assured that notwithstanding detailed precinct planning was not yet complete; the current project would not be outside the scope of the current processes.¹⁹

Recommendation 4

As Defence is working with a 1998-99 master plans and that changes are likely to occur with the update of those plans, the Committee recommends that it be provided with details of any changes to plans for Lavarack Barracks.

Consultation

3.21 Defence informed the Committee that in preparation for this project, it had consulted with or was proposing to consult with a number of stakeholders.²⁰

3.22 Despite this the Committee raised the issue of the quality of the consultative process, particularly as regards that with the Queensland Fire and Rescue Services. In his submission to the Inquiry the Assistant Fire Commissioner, Queensland Fire and Rescue Services, Northern Region, acknowledges the application of the codes and standards Defence will adopt in its fire protection measures, but notes that there is still the potential for multiple false alarms.²¹

3.23 It is the view of the Assistant Fire Commissioner that to prevent false alarms that draw vital resources away from genuine emergencies, Building Approval Officers of the agency should be consulted during the

18 op.cit.

19 op.cit.

20 See Chapter 2, paragraph 2.8

21 Submission No. 3, Queensland Fire and Rescue Services

planning and design phase of the project rather than towards its completion.²²

- 3.24 Defence have stated in response to this issue being raised by the Committee that it is yet to review the design documentation with the Queensland Fire and Rescue Service. Despite comments from the Assistant Commissioner suggesting the appropriateness of consultation with Building Approval Officers at an early stage in the design work, Defence indicated that it will consult with the fire and rescue authority when design plans are 90 per cent complete.²³

Recommendation 5

The Committee recommends that Defence take the advice of the Queensland Fire and Rescue Service, and seek its comments as soon as possible regarding the inclusion of appropriate fire precautions prior to completing the design phase.

- 3.25 The Committee notes in the department's Statement of Evidence that:
- Design will be developed to ensure effective achievement of Ecologically Sustainable Design principles in accordance with the Green Star rating system for office buildings and the Australian Building Greenhouse Rating in response to the Defence Green Building Requirements.²⁴
- 3.26 However, the Committee has subsequently learned that the department approached the Australian Greenhouse Office (AGO) on an informal basis, but that the AGO has not had the opportunity to formally comment on the ratings proposed by Defence.
- 3.27 In a similar vein the Committee was interested in the level of contact between Defence and the appropriate road authority, in the context of the effect on municipal roads that could be attributed to increased traffic flows from Defence establishments resulting from an increase in personnel.²⁵
- 3.28 Defence informed the Committee that in the context of Lavarack Barracks it was unlikely that there would be a significant impact on the road network in proximity to the Barracks. However, it informed the

22 loc. cit.

23 Appendix D, Official Transcript of Evidence, p. 8

24 Appendix C, Submission No. 1, paragraph 60

25 Appendix D, Official Transcript of Evidence, p. 4

Committee that it had requested the Main Roads Authority to delay the development of a second entry point to Lavarack Barracks or any upgrade of University Road to freeway standard until the completion of a study associated with the planning phase for the Barracks.²⁶

Recommendation 6

The Committee recommends that Defence consult with the Australian Greenhouse Office and the Queensland Department of Main Roads and requests that the outcome of those consultations be made available to the Committee at the earliest opportunity.

Contracting of local businesses

- 3.29 The Committee was pleased to be informed by Defence that up to ninety percent of the works to be undertaken would be allocated to local businesses. According to Defence, in the order of up to 60 local trade contractors and 10 local sub consultant companies will be contracted to complete the works involved on the project. In addition, it is estimated that in the order of 200 personnel will be employed on the project over three years.²⁷
- 3.30 As the engagement of local businesses on the project would be determined by the principal contractor, the Committee sought assurances that the tendering processes for the work would be both transparent and proper, and that Defence would have a role in ensuring that the tendering process would meet these criteria.²⁸
- 3.31 The department assured the Committee that the managing contractor would be required to meet a number of conditions when signing the contract, including the conduct of an open and transparent tendering process for the award of subcontracts. The letting of subcontracts would also be the subject of scrutiny by the department's own project managers both for consistency with the tendering process as well as in regards to Commonwealth tender requirements. These tenders and the processes involved in the letting of tenders would be accessible to the Australian National Audit Office as well as to independent auditors appointed by

26 *ibid.*, pp 3 -4

27 *ibid.*, p. 5

28 *op.cit.*

Defence at any time during the conduct of works, and for a period of 7 years beyond the project.

- 3.32 In its submission to the Inquiry the Mayor of Thuringowa stated that the defence industry was an important contributor to the local economy, and that there were ongoing benefits from the implementation of the proposed redevelopment.²⁹

Security

- 3.33 The Committee sought comment from the department related to security of the site during the construction phase, and was particularly interested in how site access for personnel engaged in site works would be addressed.³⁰
- 3.34 Defence advised that on the matter of broad security, Lavarack Barracks is at the lower end of the security scale. Access controls are in place and monitored by a private contractor. It is envisaged that on the commencement of the works, separate access would be provided to enable personnel to access the site independently of the main entry. This access would be staffed by the security company that is responsible for overall access to the Barracks, and controlled by the managing contractor. Should there be a situation in which the security designation of the Barracks is raised, this arrangement would not disrupt the works being undertaken.³¹
- 3.35 With particular reference to the Defence Secure Network that connects the Barracks to Defence HQ and other sites by computer, the Committee was informed that works will be carried out to extend the network to some of the buildings subject to the redevelopment. Those works will be undertaken by Defence IT personnel, although as noted by Defence, infrastructure works on those buildings that will be the recipients of the extended network will be supervised and inspected by Defence Security Agency experts during the construction phase to ensure that buildings comply with the requirements of the department's security manual.³²
- 3.36 Defence also informed the Committee that contractors working on potentially secure buildings will be police checked before access is

29 Submission No. 2, City of Thuringowa

30 Appendix D, Official Transcript of Evidence, p. 8

31 *ibid.*, pp 9-10

32 *ibid.*, p. 10

permitted. Following on completion of the works at these sites buildings will also be electronically swept.³³

Environmental issues

3.37 According to Defence the Initial Environmental Review for Lavarack Barracks will not require a referral under the *Environment Protection and Biodiversity Act (1999)*. This is on the basis that the proposed redevelopment works will overlay existing developed areas where any impact on flora and fauna are not anticipated; however the proposed works will address organochlorine and hydrocarbon contamination, and erosion and bank stabilisation problems with the Barracks drainage network.³⁴

Recommendation 7

The Committee recommends that Defence in the context of the need for works associated with the decontamination of the site, review the requirement to refer these works under the Environment Protection and Biodiversity Act (1999) and report to the Committee at the earliest opportunity.

Recommendation 8

The Committee recommends that Defence consider the engagement of a suitably qualified consultant to advise it on the best method of decontaminating the soil profile, and for the removal of contaminants, and that it provide details to the Committee as to how this work is to be undertaken.

33 loc. cit

34 Appendix C, Submission No. 1, paragraph 57

Heritage issues

- 3.38 The Committee was informed that the project has been considered by the department's Environment, Heritage and Risk Branch against the background of the requirements of the *Environment Protection and Diversity Act (1999)* with reference to the impact of National Environmental Significance in the context of the preservation of buildings used during the 1960s by Australian forces deploying to Vietnam.³⁵
- 3.39 It is appropriate to note that a similar issue was raised during the course of the Committee's inquiry into Lavarack Barracks Redevelopment Phase 3 where it was reported that even though the Australian Heritage Commission advised that:
- ...there are no places entered in the Register of the National Estate likely to be affected by the proposed redevelopment.³⁶
- 3.40 However, the Commission informed the Committee that the Register of the National Estate was not a comprehensive list of places with heritage value. A report prepared in 1997 for the Department of Defence found that Lavarack Barracks had a level of heritage significance likely to satisfy Criterion A.a4 (importance for association with events, developments or cultural phases which have had a significant role in the human occupation and evolution of the nation, State, region or community), Criterion F.1 (importance for its technical, creative) and Criterion G.1 (importance as a place highly valued by a community for religious, spiritual, symbolic, cultural, educational or social associations).³⁷

Recommendation 9

The Committee recommends that before any buildings associated with the Vietnam era are demolished, Defence consult with the Department of Heritage and Water Resources as to the status of these buildings, and inform the Committee of the outcome of those consultations.

35 *ibid.*, paragraph 59

36 Lavarack Redevelopment Stage 3, *op. cit.*, paragraph 4.39

37 *ibid.*, paragraph 4.40

Recommendation 10

The Committee recommends that Lavarack Barracks Redevelopment Stage 4 proceed at an estimated cost of \$207.2 million.

The Hon Judi Moylan, MP

Chair

23 May 2007