



THE NAVY LEAGUE OF AUSTRALIA
QUEENSLAND DIVISION
CAIRNS BRANCH

SUBMISSION 5

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20th April 2006

Ms Vivienne Courto
Inquiry Secretary
Parliamentary Standing Committee on Public Works
Parliament House
Canberra ACT 2600

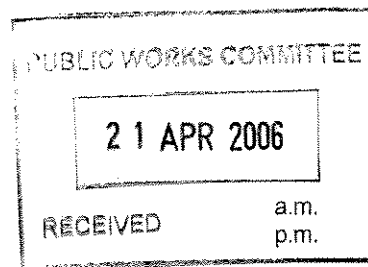
Dear Ms Courto,

**SUBMISSION TO THE PARLIAMENTARY COMMITTEE ON PUBLIC WORKS - TS ENDEAVOUR
/CAIRNS NAVY LEAGUE FACILITY AT DRAPER STREET, CAIRNS**

I refer to our recent telephone conversation & submit Cairns Navy League's (CNL) input to the Parliamentary committee.

CNL has been sponsoring the Australian Navy Cadets (ANC) in Cairns for a period of 49 years & has provided the infrastructure for Cairns unit TS ENDEAVOUR (the Unit) with the support of members, parents, the local community, businesses, the Cairns City Council & the Cairns Port Authority (CPA) during this time. At the behest of & with the assistance of CPA work on the present Unit Headquarters commenced in late 1993 with the cadets moving in a year later. Prior to this the unit was located adjacent to the Tropical Reef Shipyard. CNL owns the land on which the Unit is situated namely as a leasehold interest from CPA for a 25 year period expiring in 2018. The present facilities were provided from CNL's own funds with assistance from people & businesses in the wider Cairns community, all labour being provided in a voluntary capacity. No funding was received from the Commonwealth Government (Government) in this regard. The only Government assistance received throughout has been a very small annual rental of \$2508 per annum. After some four years of lobbying by CNL, in March 2005 this resulted in an increased rent from July 2000 of \$7000 pa being paid in advance to 30 June 2007 only. In contrast, the understanding is that Defence pays rental to private landlords in Mackay (\$72000 pa) & Townsville (\$35000 pa) for their respective ANC establishments.

Discussions with the Defence regarding the HMAS CAIRNS redevelopment have occurred on an intermittent basis since December 2004. The most recent meetings have been with the contractors on 7 February when CNL's requirements for a new unit headquarters were tabled & discussed & with all parties on 7 March when a firm proposal from Defence was expected but didn't eventuate. No commitment was made by CNL at any meeting & it came as somewhat of a surprise to receive the HMAS CAIRNS Statement of Evidence to the Parliamentary Joint Standing Committee on Public Works (the Statement) by Defence last month in which matters such as the unit being subsumed within HMAS CAIRNS (Para 17) etc were written as a "fait accompli" when in fact no such agreement was ever reached. Furthermore, the Statement mentions that only a "modest" upgrade of existing facilities would occur & that "the Old Shed" will possibly be relocated (Para 33c). This building provides Galley, Messing & Classroom facilities & if relocated, would need to be replaced as would the "RSL Flats Laundry" (Para 33d) which is the only facility for CNL meetings etc. It would appear that the Statement was prepared prior to the 7 March meeting & one can only wonder why CNL members present at the meeting were not advised of that fact & that the foregoing statements were not presented to CNL for discussion. Subsequent to this last meeting, a letter (attached) dated 21 March was received from the Director Defence Property Services (DPS) confirming salient points discussed at the 7 March meeting but no firm proposal was made to CNL as owners of the property, particularly with respect to compensation for facilities which are valued conservatively at over \$500000 & with no firm guarantees as to the future of the Unit in its present location. This letter also stated that limited funding of \$200000 is available for "modest refurbishment" of existing facilities.



In the course of previous discussions with Defence, CNL was advised that the four small buildings (Galley/Mess, Clothing Store, CNL Meeting Room & Heads/Showers) would be incorporated within a new replacement building for the present Unit Headquarters. Furthermore, it was also stated that Defence would complete the boat ramp & jetty but this is contradicted in paragraph 8 of the DPS letter which states inter alia "..... Defence is more than happy for CNL to proceed with the ongoing construction of the planned gangway, pontoon and boat ramp for TS ENDEAVOUR." The uncertainty surrounding the HMAS CAIRNS redevelopment & the impact on the Unit has resulted in these projects being put on hold. However, our benefactors would be none too pleased to complete them only to have the facilities handed over to Defence with no firm guarantee that the Unit would continue to be the beneficiary.

To date, Defence has not provided CNL with any firm proposal regarding the HMAS Cairns redevelopment & its impact on the Unit. CNL's position as communicated to the Naval Systems Commander on 25 November 2005 remains as follows:

- The key Defence proposal involves building an access wharf from the end of the "unmade" section of Draper Street between the Unit and the bulk sugar terminal. Such a proposal is likely to mean that CNL's Lease shall be within the boundaries of HMAS CAIRNS.
- It is the preferred option of CNL that the existing Lease and the Unit should remain in its current location i.e. the status quo is maintained. While this may result in some inconvenience to CNL members, guests, parents & possibly cadets due to security restrictions on entry, CNL does not consider this to be an insurmountable obstacle to the continuing functioning of both CNL and the Unit.
- If, after further briefing/discussion with Defence, it becomes obvious to CNL that it is beneficial to the Unit for Defence to in effect take over the lease and operation of the current site, then CNL will give consideration (subject to legal advice and CPA consent) to allowing a sub-lease of the premises to Defence. Pursuant to such a sub-lease, current rental would continue to be paid to CNL by Defence.
- Defence would assume responsibility for maintenance and operating outgoings (rates, water, electricity, telephone etc) whether fixed or periodic.
- Defence will construct a new building or extension of the present building to incorporate additional sleeping accommodation & heads/showers for up to 100 males & females, galley & mess together with offices for staff, armoury, classrooms, workshop, library, laundry etc.
- In the event of the parade ground being impacted upon by the proposed access to the sugar wharf, an additional parade facility will be provided by Defence.
- The existing boat ramp should be retained in its present location (if possible). Installation of toe planks and dredging will be completed at cost to Defence or the CPA. The partially constructed jetty incorporating a pontoon mooring, to be completed by Defence.
- Pursuant to the sub-lease, CNL members, guests, parents, cadets and the Unit committee are to be given unrestricted access (subject to security constraints) to the facility, preferably with access independent of HMAS Cairns.
- All CNL costs such as legal fees, permits, approvals, lease fees, completion of boat ramp & jetty are to be met by Defence.
- Any construction/modification/completion is subject to agreement by CNL.
- The long term retention of the Unit in its present location is to be guaranteed by Defence & in the event of any higher level decision regarding the future of the ANC, CNL is to be consulted & to be given the option of assuming sponsorship of the Unit should Defence wish to relinquish this role.
- Should in the future CNL agree to transfer the sub-lease to Defence, then Defence will compensate CNL for existing facilities & improvements at market value at the time of transfer.

In short, the primary concern of CNL has been, & remains, the retention of the Unit as a viable & vibrant ANC activity serving the youth & the community of Cairns, preferably from its current location.

Representatives from CNL will be attending the 15 May hearings & look forward to presenting our submission & answering any queries that the committee members may have.

Yours faithfully,

M.J. Storrs
CMDR RANR
President
Cairns Navy League

ENC: Defence Property Services letter DPS(DE)/OUT/2006/14 2005/1017559/2 dated 21 March 2006



Australian Government
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DPS(DE)/OUT/2006/ 14
2005/1017559/2

Submission No. 5
Attachment 1

21 March 2006

Mr Alf Cunneen
Secretary
Cairns Branch, The Navy League of Australia PO
Box 1009
CAIRNS QLD 4870

Dear Mr Cunneen

**EXPRESSION OF INTEREST BY THE DEPARTMENT OF DEFENCE TO ACQUIRE AN
INTEREST IN THE TS ENDEAVOUR SITE AND FACILITIES FROM THE CAIRNS
NAVY LEAGUE**

Thank you for providing Defence members with a detailed inspection of the TS Endeavour site on Monday 6 March 2006, and the opportunity for discussions, on Tuesday 7 March 2006, with yourself and other members of the Cairns Navy League (CNL), on the proposed redevelopment of HMAS CAIRNS and its possible impact on the TS Endeavour site.

As indicated to CNL on 7 March, under the Defence preferred option for the redevelopment of HMAS CAIRNS, the Commonwealth (Defence) will acquire an interest (licence) in the adjacent Commercial Wharf and acquire two parcels of existing road reserve, one on Draper Street and the other at the corner of Draper and Cook Streets. With these acquisitions in place Defence will construct an access bridge from the Draper/Cook Street road reserve to the Commercial Wharf. These actions will result in the CNL lease for TS Endeavour being enclosed within the extended boundary of HMAS CAIRNS.

Due to these proposed changes the Department of Defence is interested in acquiring the TS Endeavour site. The Defence preference is for CNL to transfer its lease of the TS Endeavour site to Defence. Defence would then negotiate with the Cairns Port Authority (lessor) to obtain freehold title to the land and include the TS Endeavour site in the broader freehold title of HMAS CAIRNS. Under this proposal Defence would also acquire the improvements on the TS Endeavour site on an agreed valuation basis.

I am well aware of concerns held by CNL that if it was to proceed on this basis it would relinquish any formal control it currently has over the retention of the existing TS Endeavour site for continued Cadet activity. I can assure you that under the proposed HMAS Cairns redevelopment and Base Master Planning activities there is no intention of relocating the Cadets

from the existing site. I am prepared to discuss with CNL how this assurance can be covered in any agreement with CNL if it is willing to proceed in this manner and would appreciate the CNL view on how this assurance should be provided.

Concerns were also raised regarding access to the TS Endeavour site if the Defence preferred option was accepted. Similar concerns were raised by the Unit Support Committee in discussions with its members. Commodore Geraghty in his letter to Mr Storrs last December indicated Navy's willingness, via a Memorandum of Agreement with HMAS CAIRNS, for continued access to and use of the TS Endeavour facilities by CNL (and the Unit Support Committee).

Although other options are available, such as a sub-lease to Defence. Defence believes the acquisition of the land and improvements will not only provide the best outcome for Defence but also for TS Endeavour. Defence will assume ongoing maintenance responsibility for the site allowing CNL to channel its resources into other areas of the operations and well being of the Cadet Unit.

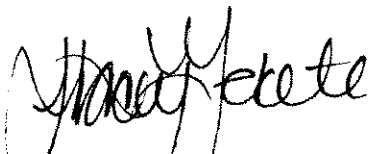
With regards to the discussion on improvements to the TS Endeavour site, I confirm that some limited funding of about \$200,000 is available within the project for modest refurbishment and reinvestment into the TS Endeavour facilities. The best utilisation of this funding will be discussed with CNL and the Unit Support Committee.

As indicated to members of CNL at our meeting on 7 March, Defence is more than happy for CNL to proceed with the ongoing construction of the planned gangway, pontoon and boat ramp for TS Endeavour. I believe this agreement to proceed can also be viewed as further assurance from Defence of its intention for TS Endeavour to retain its current site and access to Trinity Inlet.

I would appreciate you placing this proposal before the members of CNL and I look forward to your early response.

My contact officer on this matter is Greg Biddle on telephone (02) 6266 3059. Greg is prepared to meet with you at a convenient time for further discussion on this matter.

Yours sincerely



Stacey Fekete
Director Property Services