

## Construction of New Warehousing Facilities at Wadsworth Barracks, East Bandiana, Victoria

- 5.1 The proposed construction of new warehousing facilities at Wadsworth Barracks, East Bandiana, Victoria, aims to provide a modern purpose-built facility to enhance operational capability and provide efficient logistical and warehousing support for the Department of Defence (Defence). The project also aims to reduce Occupational, Health and Safety issues and operational inefficiencies associated with the existing facilities. The estimated cost of the project is \$36.369million (excluding GST.)
- 5.2 The proposal was referred to the Committee on 18 March 2008.

### Conduct of the inquiry

- 5.3 The inquiry was advertised in *The Border Mail* 19 April 2008 and in *The Australian* on 9 July and 23 July 2008. The Committee received four submissions to the inquiry and one confidential submission detailing the project cost estimates. A list of submissions can be found at Appendix A.
- 5.4 The Committee undertook a site inspection, in-camera hearing and public hearing on 7 August 2008 in Wodonga. A list of witnesses can be found at Appendix B.

- 5.5 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website<sup>1</sup>. Plans for the proposed works are detailed in Submission 1, Department of Defence.

## Need for works

- 5.6 The warehousing facilities in Bandiana provide both national and regional support for maintenance, storage and distribution of Defence items and is currently supporting a range of operational deployments. Joint Logistics Unit (Victoria) supports an inventory value of over \$1.368 billion located at East and North Bandiana and Wirlinga. The main function of the warehousing facilities at Bandiana is to store combat clothing, personnel equipment, repair parts for armoured vehicles, artillery pieces, weapons systems, and wheeled vehicles, for the Australian forces deployed internationally. The warehousing facilities also provide logistic support to regional units.
- 5.7 The current warehousing facilities at Bandiana include the Freight Distribution Centre (20,000m<sup>2</sup> storage capacity) at East Bandiana, nineteen warehouses (63,900m<sup>2</sup> storage capacity) at North Bandiana, and seven warehouses (13,100m<sup>2</sup> storage capacity) at Wirlinga, located approximately ten kilometres from East Bandiana. There are no works required at Wirlinga as part of this project. The North Bandiana warehouses, built in the 1940s/1950s, are light timber-framed buildings that are in various states of disrepair. The Freight Distribution Centre at East Bandiana is a modern facility completed as part of the Bandiana Stage 1 Development in 1995/96 and is capable of storing 54,000 live stock items in multi-level racking and vertical storage carousels.<sup>2</sup>
- 5.8 The output of the Joint Logistic Unit (Victoria) in support of its national, regional and operational responsibilities has increased significantly in the past ten years, but there has been no commensurate increase in facilities to cope with this increased output. As a result, there are significant constraints on the ability of the Joint Logistic Unit (Victoria) to provide effective warehousing support to the Australian Defence Force, due to the age and the inefficient operational layouts of the existing warehousing facilities. The current warehouses at North Bandiana fall well short of modern warehousing standards and are not suitable for storing many of the highly technical

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1 <[www.aph.gov.au/pwc](http://www.aph.gov.au/pwc)>

2 Submission 1, Defence, p. 2.

stores and major equipment held in today's Defence inventory. These World War II era warehouses do not cater well for movement of stock in, out or between the warehouses due to their design, construction and layout, and the warehouses no longer comply with current standards and practices.<sup>3</sup>

5.9 The consolidation and centralisation of a large portion of the warehousing operations at the East Bandiana warehousing precinct will result in significant reduction in resources, in particular materiel handling equipment duplication, travel time between warehouses, stock movements, faster distribution and transport costs.<sup>4</sup>

5.10 Defence advised that particular operational efficiencies arising from the proposal include:

- reduced double handling of stock;
- improved cubic capacity storage within the building footprint;
- reduced truck movements, minimising the impact on major roads; and
- improved response times.<sup>5</sup>

## Scope of works

5.11 The proposed scope of works is detailed in Submission 1, Department of Defence.<sup>6</sup> In short, the works propose the following:

At East Bandiana:

- Construction of a new soldier support warehouse (15,000m<sup>2</sup>) dedicated to clothing and soldier support items. This building will include a:
  - ⇒ pallet racking and block stacking area;
  - ⇒ restricted access storage area;
  - ⇒ suspense and dispatch consolidation areas;
  - ⇒ office administration;
  - ⇒ materiel handling equipment charging area; and

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3 Submission 1, Defence, p. 2.

4 Submission 1, Defence, p. 2.

5 Submission 1.5, Defence, p. 1-2.

6 The submission is available on the Committee's website or by contacting the Committee Secretariat.

- ⇒ dedicated issues and receipts area.
- Provision of materiel handling equipment for the soldier support warehouse;
- Construction of an awning extension over and an upgrade of the existing receipts and issues area (2,378m<sup>2</sup>) for the existing Freight Distribution Centre; and
- Upgrade of existing infrastructure to support the additional facilities. The infrastructure work will involve:
  - ⇒ An upgrade and modification/relocation of portions of the existing storm water and sewer services, including the existing sewer pumping station;
  - ⇒ Separating the domestic and fire fighting water supplies to the new building to provide a dedicated fire service, as required by the Country Fire Authority (CFA);
  - ⇒ Installing a new substation to meet the increased power demand;
  - ⇒ Constructing roads to new buildings;
  - ⇒ Providing security fencing to the new facilities; and
  - ⇒ Landscaping of the site.
- Relocation of items to the new soldier support warehouse.

At North Bandiana:

- Undertake stock rationalisation to consolidate remaining Defence items within existing warehouses;
- Up to eight soldier support warehouses (from existing 19 warehouses) will be demolished post the stock rationalisation; and
- Upgrading works to address high priority Occupational, Health and Safety issues identified in the eleven remaining warehouses at North Bandiana. <sup>7</sup>

5.12 The Department of the Environment, Water, Heritage and the Arts reviewed the proposal and raised two concerns: separation between metering on energy usage between areas of different purpose and

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<sup>7</sup> Submission 1, Defence, pp. 8-9.

controls on energy use zones.<sup>8</sup> Defence has now satisfactorily addressed these concerns.<sup>9</sup>

- 5.13 The Committee has assessed the scope of works and finds them suitable to provide the facilities necessary to meet the need for upgraded and enhanced warehouse facilities for the Joint Logistic Unit (Victoria).

## Cost of works

- 5.14 The total out-turn cost of this work is scheduled to be \$36.369 million (excluding GST) which includes construction costs, professional fees, furniture and fittings, materiel handling equipment, relocation, stock rationalisation, demolition works of vacated warehouses at North Bandiana, minor upgrade works to remaining warehouses at North Bandiana, and a contingency sum.<sup>10</sup>
- 5.15 The Committee received detailed cost plans for the project and held an in-camera hearing with the Department of Defence on the full project costs.
- 5.16 The Committee was satisfied that the costs were appropriate.

## Project issues

### Community issues

- 5.17 Defence arranged two community information sessions chaired by the Deputy Mayor of the City of Wodonga. During the first session, Defence outlined the proposal and a number of members of the community raised concerns about the proposals regarding the possible overshadowing of existing dwellings by the new warehouse and the consequent effect on temperature, disruption to television and mobile phone reception in the area and the environmental standards of run-off water from East Bandiana.<sup>11</sup>
- 5.18 Defence commissioned shadowing studies which indicate that the 'new warehouse is located to the south of Killara, and the overshadowing from Mount Huon in the late afternoon would

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8 Submission 2, DEWHA.

9 Submission 1.2, Defence.

10 Submission 1, Defence, p. 21.

11 Submission 1.3, Defence, p. 1.

- precede any shadowing which may occur from the new warehouse.’<sup>12</sup> Further, the nature of the new building makes it unlikely that it will act as a heat sink in summer causing any appreciable temperature difference in the surrounding area.<sup>13</sup>
- 5.19 Defence undertook surveys which indicate that there will be no impact on television and mobile phone services.<sup>14</sup> Defence has further undertaken to survey and document existing services before the commencement of construction of the new warehouse and after construction is completed to identify any degradation in services.<sup>15</sup> This information will be provided to residents and Defence may be able to provide advice on improving reception.<sup>16</sup>
- 5.20 A stormwater detention system and downstream defender units are being constructed in a parallel project to deal with run-off from the roads within East Bandiana.<sup>17</sup> Clean rainwater off the roof of the new warehouse will go directly into the billabong. The Director General Infrastructure Asset Development Branch, confirmed that ‘all run-off from the road surfaces and the surrounding countryside would be passed through the stormwater treatment detention system and only in compliance would clean water be discharged into the billabong.’<sup>18</sup>
- 5.21 Defence provided a copy of the shadow analysis, communication impact analysis, and the ‘First Flush project’ drainage project overview to the Committee.<sup>19</sup> Defence also undertook to further expand on those reports including developing perspective drawings, further shadow modelling, thermal modelling and television and mobile phone reception studies. Once those studies are finalised, Defence plans to conduct a third meeting with concerned residents.<sup>20</sup>
- 5.22 The Committee notes the views of the local residents on the proposed new warehouses at East Bandiana as expressed to Defence and in evidence to the Committee. The Committee would like to see that

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12 Brig Grice, Defence, Proof Transcript of Evidence, 7 August 2008, p. 4.

13 Brig Grice, Defence, Proof Transcript of Evidence, 7 August 2008, p. 5.

Mr Zentelis, Defence, Proof Transcript of Evidence, 7 August 2008, p. 5

Mr Tempany, GHD Pty Ltd, Proof Transcript of Evidence, 7 August 2008, p. 5.

14 Brig Grice, Defence, Proof Transcript of Evidence, 7 August 2008, p. 4.

15 Brig Grice, Defence, Proof Transcript of Evidence, 7 August 2008, p. 4.

16 Brig Grice, Defence, Proof Transcript of Evidence, 7 August 2008, p. 4.

17 Brig Grice, Defence, Proof Transcript of Evidence, 7 August 2008, p. 4-5.

18 Brig Grice, Defence, Proof Transcript of Evidence, 7 August 2008, p. 5.

19 Exhibit No. 1.

20 Submission No. 1.4, Defence, p. 1.

their concerns about the development are adequately addressed by Defence.

#### **Recommendation 4**

**The Committee recommends that the Department of Defence report to the Committee on the outcomes of Defence's third community consultation meeting for the proposed new warehousing facilities at Wadsworth Barracks, East Bandiana, Victoria.**

#### **Committee comment**

5.23 Having examined the purpose, need, use, revenue and public value of the work, the Committee considers that it is expedient that the proposed works proceed.

#### **Recommendation 5**

**The Committee recommends that the House of Representatives resolve, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: Construction of new warehousing facilities at Wadsworth Barracks, East Bandiana, Victoria.**

Mark Butler MP

Chair

August 2008

