

Report 7/2009

# Referrals Made August to October 2009

Construction of Housing at Gordon Olive Estate, Brisbane, QLD

Construction and Renovation of Housing at Larrakeyah Barracks, Darwin, NT

Enhanced Land Force Stage 2, various locations

Midlife Engineering Services Refurbishment of the Australian Embassy, Paris,  
France

Tropical Marine Research Facilities, Cape Ferguson and Townsville, QLD

Redevelopment of Tarin Kowt, Afghanistan

**Parliamentary Standing Committee on Public Works**

November 2009  
Canberra

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## **Membership of the Committee**

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## List of abbreviations

ADF	Australian Defence Force
AIMS	Australian Institute of Marine Science
ATOS	Australian Tropical Oceans Simulator
BREC	Brisbane Region Environment Council
CEMP	Construction and Environment Management Plan
COAG	Council of Australian Governments
Defence	Department of Defence
DEWR	Department of the Environment, Water, Heritage and the Arts
DFAT	Department of Foreign Affairs and Trade
DHA	Defence Housing Australia
EER	Energy Efficiency Rating
ELF	Enhanced Land Force
EMS	Environment Management System
HVAC	Heating, Ventilation and Air Conditioning
IEA	International Energy Agency
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VAT	Value-Added Tax





## List of recommendations

### 2 Construction of housing for Defence at Gordon Olive Estate at McDowall, Brisbane, Queensland

#### Recommendation 1

The Committee recommends that Defence Housing Australia and the Department of Defence establish a general disability access demand level, and that DHA reflect this in a designated accessible proportion of housing stock, incorporating integrated access features.

#### Recommendation 2

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 housing for Defence at Gordon Olive Estate at McDowall, Brisbane, Queensland.

### 3 Construction of Housing for Defence at Larrakeyah Barracks, Darwin, Northern Territory

#### Recommendation 3

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 Housing for Defence at Larrakeyah Barracks, Darwin, Northern Territory.

#### **4 Midlife Engineering Services refurbishment of the Australian Embassy, Paris, France**

##### **Recommendation 4**

The Committee recommends that the Department of Foreign Affairs and Trade install independent smart metering throughout the chancery building of the Australian Embassy, Paris.

##### **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: Midlife Engineering Services Refurbishment of the Australian Embassy, Paris, France.

#### **5 Enhanced Land Force Stage 2 Facilities Project**

##### **Recommendation 6**

The Committee recommends that the Department of Defence direct any savings identified in the Enhanced Land Force Stage 2 facilities project on Lavarack Barracks towards improving base security and providing additional Living-In Accommodation at Lavarack Barracks, Townsville.

##### **Recommendation 7**

The Committee recommends that the Department of Defence consult with state and local governments in order to finalise plans for an entrance off Samford Road, Enoggera with Defence funding a fair and reasonable portion of the cost of the road works, in order to ease traffic congestion in the vicinity of Gallipoli Barracks.

##### **Recommendation 8**

The Committee recommends that the Department of Defence develop a consultation protocol that ensures that consultation with local government and, where appropriate state government, occurs in line with routine local planning procedures.

##### **Recommendation 9**

The Committee recommends that the Department of Defence ensure that any future proposals for work at Gallipoli Barracks consider increasing the size of Duncan Oval, with a view to increasing the open space available on the Base.

**Recommendation 10**

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: Enhanced Land Force Stage 2 Facilities Project.

**6 Redevelopment of Tarin Kowt, Afghanistan****Recommendation 11**

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: Redevelopment of Tarin Kowt, Afghanistan.

**7 Tropical Marine Research Facilities, Cape Ferguson and Townsville, Queensland****Recommendation 12**

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: Tropical Marine Research Facilities, Cape Ferguson and Townsville, Queensland.



## Introduction

- 1.1 Under the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works is required to inquire into and report on public works referred to it through either house of Parliament. Referrals are generally made by a delegate of the Minister for Finance.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives receives that report and resolves that it is expedient to carry out the work.<sup>1</sup>
- 1.3 Under the Act, a public work is a work proposed to be undertaken by the Commonwealth, or on behalf of the Commonwealth concerning:
- the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures;
  - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures;
  - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures);
  - the demolition, destruction, dismantling or removal of buildings, plant and equipment, earthworks, and other structures;
  - the clearing of land and the development of land for use as urban land or otherwise; and

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1 *Public Works Committee Act 1969* (the Act), Part III, Section 18 (8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the Regulations.

- any other matter declared by the regulations to be a work.<sup>2</sup>
- 1.4 The Act requires that the Committee consider and report on:
- the purpose of the work and its suitability for that purpose;
  - the need for, or the advisability of, carrying out the work;
  - whether the money to be expended on the work is being spent in the most cost effective manner;
  - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
  - the present and prospective public value of the work.<sup>3</sup>
- 1.5 The Committee pays attention to these and any other relevant factors when considering the proposed work.

## **Matters addressed in this report**

- 1.6 Works considered in this report were referred to the Committee between August and October 2009.
- 1.7 In considering the works, the Committee analysed the evidence presented by the proponent agency, public submissions and evidence received at public and in-camera hearings.
- 1.8 In consideration of the need to report expeditiously as required by Section 17(1) of the Act, the Committee has only reported on major issues of concern.
- 1.9 The Committee appreciates, and fully considers, the input of the community to its inquiries. Those interested in the proposals considered in this report are encouraged to access the full inquiry proceedings available on the Committee's website.<sup>4</sup>
- 1.10 Chapter 2 addresses the proposed construction of housing for Defence at Gordon Olive Estate, McDowall, Queensland by Defence Housing Australia at an estimated cost of \$27.20 million (including GST).
- 1.11 Chapter 3 addresses the proposed construction of housing for Defence at Larrakeyah Barracks, Darwin by Defence Housing Australia at an estimated cost of \$52.40 million (excluding GST).

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2 The Act, Section 5.

3 The Act, Section 17.

4 [www.aph.gov.au/pwc](http://www.aph.gov.au/pwc).



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- 1.12 Chapter 4 addresses the proposed midlife engineering services refurbishment at the Australian Embassy, Paris by the Department of Foreign Affairs and Trade at an estimated cost of \$28.30 million (including French value-added tax).
  - 1.13 Chapter 5 addresses the proposed construction of facilities at Gallipoli Barracks, Enoggera, Queensland and other defence bases and training areas for the Enhanced Land Force Stage 2 project by the Department of Defence at an estimated cost of \$1,457.83 million (excluding GST).
  - 1.14 Chapter 6 addresses proposed works at Tarin Kowt, Afghanistan by the Department of Defence at an estimated cost of \$86.47 million (excluding GST).
  - 1.15 Chapter 7 addresses proposed construction of tropical marine research facilities at Cape Ferguson and Townsville, Queensland by the Australian Institute of Marine Science in pursuit of the National Research Priorities in the area of marine science. The estimated cost of the project is \$49.50 million (excluding GST).
  - 1.16 Submissions are listed at Appendix A and Appendix B lists inspections, hearings and witnesses.



## **Construction of housing for Defence at Gordon Olive Estate at McDowall, Brisbane, Queensland**

- 2.1 The proposed construction of housing for Defence at Gordon Olive Estate (the Estate), McDowall, Queensland by Defence Housing Australia aims to provide an additional 51 dwellings for members and families of the Australian Defence Force (ADF) serving in the Brisbane area, in particular those serving at the Gallipoli Barracks at Enoggera, Brisbane. The estimated cost of the project is \$27.20 million (including GST).
- 2.2 The proposal was referred to the Committee on 20 August 2009.

### **Conduct of the inquiry**

- 2.3 The inquiry was advertised in local and national newspapers and submissions sought from those with a direct interest in the project. The Committee received two submissions and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 2.4 The Committee undertook a site inspection, public hearing and an in-camera hearing on the project costs on 12 October 2009 in Brisbane. A list of witnesses can be found at Appendix B.
- 2.5 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website. Plans for the proposed works are detailed in Submission 1, Defence Housing Australia.<sup>1</sup>

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

## Need for works

- 2.6 The Defence Housing Australia (DHA) submission states that there are approximately 1700 members of the ADF, with dependents, who reside in the Brisbane area. DHA currently manages only 1300 dwellings in that area. Consequently, around 28 per cent of ADF families are in private rental situations, receiving rent allowance from the Department of Defence.
- 2.7 DHA aims to reduce this reliance on private rental arrangements to around 13 per cent of families. This will be achieved through constructions, new leases and direct purchases of existing homes.<sup>2</sup>
- 2.8 In addition to the proposed Gordon Olive Estate development, DHA has notified the Committee of smaller housing lots in the Brisbane area that will help DHA meet the housing need. These notifications are listed on the Committee's website.<sup>3</sup> In 2009, 242 houses in the Brisbane/Ipswich area have been notified to the Committee as medium works under the \$15 million referral threshold.
- 2.9 The Committee finds that there is a need for the proposed works.

## Scope of works

- 2.10 The proposed scope of the works is detailed in Submission 1: Defence Housing Australia. The project comprises two parts. Part 1 comprises:
- Conversion of five allotments, formerly part of an old rural settlement, into 46 lots comprising:
    - ⇒ 40 lots suitable for detached residences, 10 of which will be sold as vacant lots for private development;
    - ⇒ 3 lots suitable (together) for 4 duplex-style townhouses;
    - ⇒ a single lot suitable for 6 townhouses;
    - ⇒ a 'super-lot' (4475m<sup>2</sup>) suitable for 11 townhouses; and
    - ⇒ a 'super-lot' (5440m<sup>2</sup>) suitable for a multi-storey development of up to 36 units, to be sold as a vacant lot for private development.
- 2.11 Part 2 comprises:
- Construction by DHA of:
    - ⇒ 30 detached residences;

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2 Submission 1, Defence Housing Australia (DHA), p. 2.

3 <[aph.gov.au/house/committee/pwc/\\_mediumworks/index.htm](http://aph.gov.au/house/committee/pwc/_mediumworks/index.htm)>.

- ⇒ 4 duplex-style townhouses; and
- ⇒ 17 townhouses.

- 2.12 The project is due to commence construction in early 2010 with completion anticipated in mid-2011.
- 2.13 The Committee finds that the proposed scope of works is suitable to meet the needs of the Gordon Olive Estate project.

### **Cost of works**

- 2.14 The total estimated cost for this project is \$27.2 million (including GST). The Committee received a confidential submission detailing the project costs and held an in-camera hearing with DHA on the project costs.
- 2.15 The Committee was concerned that the original confidential costing submission provided by DHA was inadequate and requested supplementary information providing greater detail which was subsequently provided. The Committee reiterates the importance of providing a thorough breakdown of project costs at the time of submission, to facilitate a thorough and expedient inquiry.
- 2.16 The Committee is satisfied that the costings for the project provided to it are adequate.

### **Project issues**

- 2.17 The Committee is pleased to note that the proposed estate is to be named after Gordon Olive CBE, pilot in the Battle of Britain in 1940, who returned to Brisbane after the Second World War and made a significant contribution to his local community.

### **Energy Efficiency**

- 2.18 During the public hearing, DHA advised the Committee of a recent decision of the Council of Australian Governments (COAG) to mandate all new homes be built to a six-star energy efficiency rating (EER), commencing in 2011.<sup>4</sup> DHA officers told the Committee that the DHA Board has decided to implement this decision effective immediately. The Committee commends DHA on this decision, as it reinforces the
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4 Mr P. Howman, Acting Managing Director, DHA, *Transcript of Evidence*, 12 October 2009, p. 7.

Commonwealth Government's leading role in setting high environmental building standards.

- 2.19 The Committee understands that in this proposal, the efficiency rating will be attained through upgrades and retrofitting to the existing design, given limitations on site. Such measures include window protection and extra insulation.
- 2.20 The Committee is particularly interested in structural or intrinsic features that can contribute to energy efficiency, including a building's aspect, eaves and construction materials. Whilst the Committee is aware of the constraints inherent in urban developments such as this case, it encourages the exploration and consideration of energy efficiency measures that can be incorporated into the initial design process, rather than reliance on retrofitting and upgrading original designs.

### **Disability Access**

- 2.21 The Committee noted with concern, the statement in the DHA submission that 'no provision will be made for families with disabilities.'<sup>5</sup> The Committee is concerned that this decision is part of a general approach that is substantially inefficient, because of its ad-hoc and reactive nature.
- 2.22 At the hearing, DHA noted that the Department of Defence (Defence) informs it when an ADF member requires disability access housing. As a result, DHA procures suitable homes on an individual basis. DHA told the Committee that Defence is unable to inform DHA of its need for disability access housing until a member of the ADF needing such housing actually applies for a particular posting.<sup>6</sup>
- 2.23 The procurement of suitable housing is usually done through modifications to existing DHA stock, for which Defence pays on a case-by-case basis. These modifications are usually temporary and almost always reversed when the respective family leaves a modified home. Defence also pays for this reversal work.<sup>7</sup>
- 2.24 DHA noted that:
- If [incoming tenants] have been allocated the property and they do not have a disabled person, they want the ramps removed. Ramps can be very aesthetically unsatisfying.<sup>8</sup>

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5 Submission 1, DHA, p. 20.

6 Mrs B. Kennedy, Regional Manager, DHA, *Transcript of Evidence*, 12 October 2009, p. 8.

7 Mrs B. Kennedy, Regional Manager, DHA, *Transcript of Evidence*, 12 October 2009, pp. 8-9.

8 Mrs B. Kennedy, Regional Manager, DHA, *Transcript of Evidence*, 12 October 2009, p. 9.

- 2.25 The Committee is concerned that this reactive method of providing appropriate housing is substantially inefficient. Numerous elements can be fully integrated into homes, at little extra cost, without affecting general occupant amenity or aesthetics. Such features include flat access and sufficiently wide doorways. The Committee notes that some disability access features, such as modified bench heights and bathroom fixtures, must be provided on an individual basis, but as a general rule accessibility can be incorporated into early design.
- 2.26 The Committee understands that the number of ADF members and families needing disability access housing is limited. However, the provision of some housing stock with these features is necessary to minimise retrofitting. At a minimum, DHA should designate a proportion of its housing stock to be accessible for people with disabilities, and this housing should incorporate general disability access features to which additional modifications can be made.
- 2.27 The Committee considers that this is another opportunity for DHA to demonstrate the Commonwealth's leadership, particularly in the area of disability access.

### **Recommendation 1**

**The Committee recommends that Defence Housing Australia and the Department of Defence establish a general disability access demand level, and that DHA reflect this in a designated accessible proportion of housing stock, incorporating integrated access features.**

### **Pedestrian Access**

- 2.28 The project proposes to provide additional access to the McDowall State School. Students from both the Estate and the surrounding area will be able to use the pedestrian ways of the Estate to access a new intersection with signals that will serve the school. The Committee was advised that the 'phasing' of the crossing will facilitate safer crossing for students, particularly at peak periods.
- 2.29 The Committee is pleased that DHA is seeking to positively contribute to the community in which it is constructing its homes, and notes that it has worked closely with the McDowall State School to achieve this outcome.

## Committee comment

- 2.30 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 2.31 Having examined the purpose, need, use, revenue and public value of the works, the Committee considers that it is expedient that the proposed works proceed.

### Recommendation 2

**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 housing for Defence at Gordon Olive Estate at McDowall, Brisbane, Queensland.**



## **Construction of Housing for Defence at Larrakeyah Barracks, Darwin, Northern Territory**

- 3.1 The proposed construction of housing for Defence at Larrakeyah Barracks, Darwin proposes to provide 97 new houses and related site works for members of the Australian Defence Force (ADF) and their families. The estimated cost of the project is \$52.40 million (excluding GST), to be delivered by Defence Housing Australia (DHA).
- 3.2 The proposal was referred to the Committee on 17 September 2009.

### **Conduct of the inquiry**

- 3.3 The inquiry was advertised in local and national newspapers and submissions sought from those with a direct interest in the project. The Committee received two submissions, two supplementary submissions and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 3.4 The Committee undertook a site inspection, public hearing and an in-camera hearing on the project costs on 9 November 2009 in Darwin.
- 3.5 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: DHA.

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

## Need for works

- 3.6 Approximately 4500 members of the ADF reside in the Darwin area, 1800 of which have dependents. DHA manages 1816 dwellings in that area, both on and off-base. DHA provides 85 per cent of housing nationally for ADF members to a standard set by the Department of Defence (Defence).<sup>2</sup>
- 3.7 DHA states the need for the works as:
- deficiencies in areas such as size of living areas, bedrooms, kitchens and lack of amenities mean that 87 per cent of houses on Larrakeyah Barracks do not meet the Department of Defence's New Housing Classification Policy;
  - a significant deterioration in the fabric of the buildings has led to high maintenance costs;
  - the current houses do not meet the Defence green building requirements; and
  - the current houses (built in the 1970s) are not appropriate for the tropical environment with lack of cross-flow ventilation, low ceilings and small windows.<sup>3</sup>
- 3.8 In addition, while DHA has programmed 493 constructions between 2009 and 2013, there is insufficient land in Darwin to build enough new homes off-base, and so some constructions will need to take place on-base.<sup>4</sup>
- 3.9 The Committee inspected the current housing available at Larrakeyah Barracks and notes that the housing stock is in need of repair and sited on large blocks. DHA officers told the Committee that the large blocks were difficult to maintain, particularly when an ADF member is deployed and the responsibility for property maintenance then generally rests with the at-home spouse.
- 3.10 The Committee finds that there is a need for the proposed works.

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2 Mr P. Howman, Chief Operating Officer, Defence Housing Australia (DHA), *Proof Transcript of Evidence*, 9 November 2009, p. 6.

3 Submission 1, DHA, p. 2-3; Mr P. Howman, Chief Operating Officer, DHA, *Proof Transcript of Evidence*, 9 November 2009, p. 2.

4 Submission 1, DHA, p. 2.

## Scope of works

- 3.11 The proposed scope of the works is detailed in Submission 1: DHA. In short, the project proposes:
- demolition of 61 existing houses;
  - construction of 97 new houses in two stages:
    - ⇒ Stage 1, comprising 69 dwellings; and
    - ⇒ Stage 2, comprising 28 dwellings.
  - extension of the south-western end of Whittle Crescent to facilitate improved land utilisation;
  - minor upgrades to stormwater and sewerage infrastructure;
  - resealing of roads and replacement of footpaths where required; and
  - landscaping and construction of a new playground.<sup>5</sup>
- 3.12 The current house lots are to be reconfigured to provide the additional 36 blocks and houses will be constructed so as to take maximum advantage of the environmental conditions to reduce reliance on artificial cooling.<sup>6</sup>
- 3.13 The project is proposed in two stages as Defence is currently undertaking an infrastructure review of Larrakeyah Barracks and the Stage 2 houses are dependent on the outcome of this review. DHA advised that the review report is expected in December 2009 and while no outcome could be formally advised, it was expected that both stages would proceed concurrently.<sup>7</sup>
- 3.14 The Committee notes that a range of passive solar design elements and materials will be incorporated in the final design to maximise the environmental benefits of the site and minimise reliance on air conditioning. In addition, the road reconfigurations and the proposed new location for the children's playground will make better use of the impressive vista afforded by the site, overlooking Darwin harbour.

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5 Submission 1, DHA, p. 8.

6 Submission 1, DHA, p. 13-14.

7 Mr R. McComas, Project Director, Defence Support Group, *Proof Transcript of Evidence*, 9 December 2009, p. 8.

- 3.15 The Stage 1 works are due to commence construction in mid-2010 with completion anticipated in mid-2011. The Stage 2 works are due to commence construction in early 2012 with completion in early 2013.
- 3.16 The Committee finds that the proposed scope of works is suitable to meet the needs of the project.

### **Cost of works**

- 3.17 The total estimated cost for this project is \$52.4 million. The Committee received a confidential submission detailing the project costs and held an in-camera hearing with DHA on the project costs.
- 3.18 The Committee is satisfied that the costings for the project provided to it are adequate.

### **Project issues**

#### **Traffic**

- 3.19 The Committee received a submission from a local resident, Mr Ian Lea, raising concerns about an increase in traffic resulting from additional on-base housing.<sup>8</sup> DHA told the Committee that a maximum of ten additional vehicle movements per day were expected as a result of this development.<sup>9</sup>
- 3.20 Therefore, the Committee considers that this development will have little impact on traffic issues at and around the base.
- 3.21 Nonetheless, the concerns raised by Mr Lea are not new to this Committee's consideration of Defence-related proposals. Accusations of harassment, vandalism, failure to obey speed limits and pedestrian safety around Defence bases have been raised in previous inquiries and are of serious concern.
- 3.22 The management of local roads and traffic behaviour is a matter for local councils and police and the Committee is unable to make any recommendations in this instance.

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8 Submission 2, Mr Ian Lea.

9 Mr R. Bollen, National Manager, Land Provisioning, DHA, *Proof Transcript of Evidence*, 9 November 2009, p. 4.

- 3.23 However, the Committee considers that the Department of Defence, as a major tenant, has a responsibility to work closely with the local community in regards to traffic safety. Defence also has an obligation to ensure that all personnel living and working on-base are aware of their obligations to act responsibly as members of the community. This issue is further discussed in Chapter 5 of this report.

### **Sewerage**

- 3.24 The Committee received a briefing on-site on presently vacant land at the intersection of Nimmo and Elliot Places. As part of the proposal, Whittle Crescent is to be extended to meet Elliot Place and a playground and barbeque area constructed on presently vacant land overlooking the harbour. The Committee is of the opinion that this proposal will make excellent use of the available land, providing significant amenity for families on base.
- 3.25 However, currently a sewerage pump station sits on the section of land that will form the corner of Elliot Place and Whittle Crescent. This pump station is at present set well back from roads, but will be very close to the extended Whittle Crescent at the conclusion of this project. In addition, the pump station is an eyesore.
- 3.26 The Committee has two concerns about the location of this pump station. Firstly, its proximity to the proposed Whittle Crescent extension poses a risk to services in the event of a vehicle accident. Secondly, the location of the pump station in an area that is to be used for recreation is inappropriate. DHA noted that the intention is to obscure it with vegetation once the new road is constructed. The Committee encourages DHA to consider an alternative location for the pump station.<sup>10</sup>

### **Committee comment**

- 3.27 The Committee notes that this project incorporates design proposals specifically for the tropical climate and does not compromise on this design in order to meet site constraints. The Committee commends DHA for the design elements included in this proposal.

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<sup>10</sup> Mr P. Howman, Chief Operating Officer, Defence Housing Australia, *Proof Transcript of Evidence*, 9 November 2009, p. 5.

- 3.28 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 3.29 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 3**

**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 Housing for Defence at Larrakeyah Barracks, Darwin, Northern Territory.**

## **Midlife Engineering Services refurbishment of the Australian Embassy, Paris, France**

- 4.1 This project proposes a midlife engineering services refurbishment at the Australian Embassy, Paris, France. The building houses the Australian Embassy and the International Energy Agency (IEA).
- 4.2 The project is being delivered by the Department of Foreign Affairs and Trade (DFAT). The total cost of the proposal is \$28.3 million (including French value-added tax).
- 4.3 The proposal was referred to the Committee on 17 September 2009.

### **Conduct of the inquiry**

- 4.4 The inquiry was advertised in *The Australian* and submissions sought from those with a direct interest in the project. The Committee received two submissions and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 4.5 The Committee undertook a public hearing and an in-camera hearing on the project costs on 26 October 2009 in Canberra. A list of witnesses can be found at Appendix B.
- 4.6 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website. Plans for the proposed works are detailed in Submission 1: Department of Foreign Affairs and Trade.<sup>1</sup>

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

## Need for works

4.7 The DFAT submission states that the works are necessary as:

- the existing plant and equipment has reached its 'end-of-life' and has become increasingly difficult and costly to maintain;
- the current engineering systems are inefficient, and do not allow for zone-specific control; and
- new lease arrangements with the tenant, the IEA, require replacement of building engineering services within the tenancy.<sup>2</sup>

4.8 The Committee finds that there is a need for the proposed works.

## Scope of works

4.9 The proposed scope of works is detailed in Submission 1: DFAT. In short the project proposes the following:

- Entire chancery building:
  - ⇒ replacement of mechanical equipment including pumps, heat exchangers, mechanical switch boards, IT distribution and security systems;
  - ⇒ new access control, CCTV central control and building management systems to address current functionality requirements, and provide for connectivity of future building works; and
  - ⇒ upgrade of early warning systems, fire detection and exit and emergency lighting.<sup>3</sup>
- IEA Tenancy:
  - ⇒ replacement and upgrade of the building services including installation of energy efficient heating, ventilation and air-conditioning (HVAC) systems with zone and timing controls;
  - ⇒ new fan-coil units, fresh air ventilation and upgrade of the perimeter induction units;
  - ⇒ refurbishment of the core building areas, including wet areas; and
  - ⇒ preparation of staging areas to allow for the implementation of the IEA refurbishment works.<sup>4</sup>

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2 Submission 1, Department of Foreign Affairs and Trade (DFAT), p. 2.

3 Submission 1, DFAT, p. 2.

4 Submission 1, DFAT, p. 3.



- 4.10 The project is due to commence construction in mid-2011 with completion anticipated in mid-2013.
- 4.11 The Committee finds that the proposed scope of works is suitable to meet the stated needs of the project.

### **Cost of works**

- 4.12 The total estimated out-turn cost for this project is \$28.3 million including French value-added tax (VAT). The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with DFAT on the project costs.
- 4.13 The Committee is satisfied that the costings for the project provided to it are adequate.

### **Project issues**

#### **Environmental standards**

- 4.14 The Committee was pleased to note the environmentally sustainable measures being carried out in the project, particularly in respect of energy saving measures and zone-specific control of heating, air-conditioning and ventilation. In addition, water saving devices will be installed in the IEA refurbishment.
- 4.15 The Committee sought further information from DFAT about proposed features to monitor energy use. In particular, the Committee is concerned about the extent to which independent smart metering will be installed. DFAT advised that, whilst the current plan provided for installation in the IEA tenancy only, it would be technically and financially feasible, as part of the current project, to extend the installation throughout the entire chancery building at a low cost.
- 4.16 The Committee is of the opinion that this would be a worthwhile addition to the proposal for improving awareness of energy use and efficiency in the building.

## Recommendation 4

**The Committee recommends that the Department of Foreign Affairs and Trade install independent smart metering throughout the chancery building of the Australian Embassy, Paris.**

### Mobile phone coverage

- 4.17 Concerns were raised about the provision of mobile phone coverage within the chancery building. In particular, the Committee is concerned that, if equipment is directly installed inside the building, more than one mobile phone carrier should be able to provide services, such as the Property Council of Australia recommends for A-grade buildings.<sup>5</sup>
- 4.18 The Committee encourages DFAT to ensure that the building-specific mobile phone coverage is open to competing carriers.

### Site heritage

- 4.19 The Embassy complex was designed by the distinguished Australian architect Harry Seidler, in collaboration with French architect Marcel Breuer, and as such the buildings have particular significance for Australian heritage. In addition, the site is within a United Nations Educational, Scientific and Cultural Organisation (UNESCO) heritage precinct of Paris.
- 4.20 DFAT assured the Committee that it had notified the architectural firm Harry Seidler and Associates of the works and that no issues had been raised.<sup>6</sup>

### Committee comment

- 4.21 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.

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5 Mr M. Chalak, Director, ITC Group Pty Ltd, *Proof Transcript of Evidence*, 26 October 2009, p. 10.

6 Mr P. Davin, Director, Overseas Property Office, DFAT, *Proof Transcript of Evidence*, 26 October 2009, p. 2.

- 4.22 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: Midlife Engineering Services Refurbishment of the Australian Embassy, Paris, France.**



## **Enhanced Land Force Stage 2 Facilities Project**

- 5.1 The Enhanced Land Force Stage 2 (ELF 2) facilities project proposes to construct new, extended or refurbished facilities at Gallipoli Barracks, Enoggera, Queensland and other defence bases and training areas. The estimated cost of the project is \$1,457.836 million (excluding GST).<sup>1</sup>
- 5.2 The proposal was referred to the Committee on 17 September 2009.

### **Conduct of the inquiry**

- 5.3 The inquiry was advertised in local and national newspapers and submissions sought from those with a direct interest in the project. The Committee received eleven submissions and five supplementary submissions, one of which was confidential and detailed the project costs. A list of submissions can be found at Appendix A.
- 5.4 The Committee undertook a site inspection of Gallipoli Barracks followed by a public hearing and an in-camera hearing on the project costs on Wednesday, 4 November 2009 in Brisbane, Qld. In addition, the Committee undertook two site inspections, to Lone Pine Barracks, Singleton, NSW on Friday, 30 October 2009 and Lavarack Barracks, Townsville, Qld on Thursday, 5 November 2009.
- 5.5 The transcript of the public hearing as well as the submissions to the inquiry are available on the Committee's website.<sup>2</sup> Plans for the proposed works are detailed in Submission 1: Department of Defence (Defence).

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1 Submission No. 1, Department of Defence (Defence), p 41.

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

## Need for works

- 5.6 The Defence submission states that the proposed works are needed due to the ELF initiative which aims to increase the size of the Defence force by 3,000 members. The works are the second stage of the ELF stage 1 project which was approved by the Committee in February 2009. Both projects are required in order to support the increased capacity of the Defence force which will result from the ELF initiative.
- 5.7 On 2 October 2007, the Government announced the re-raising of the 8<sup>th</sup>/9<sup>th</sup> Battalion to be located at Gallipoli Barracks, Enoggera and deployable by 2010. This requires the development of permanent facilities and infrastructure to support:
- 8<sup>th</sup>/9<sup>th</sup> Battalion, Royal Australian Regiment and other elements of 7<sup>th</sup> Brigade and 1<sup>st</sup> Division being enhanced under this project at Gallipoli Barracks; and
  - the development of enabling capabilities, in order to sustain increases in the delivery of collective training capability, career training and logistic support facilities at Defence Bases and Training Areas in South East Queensland and various locations throughout Australia.
- 5.8 The Committee finds that there is a need for the proposed works.

## Scope of works

- 5.9 The proposed scope of works is detailed in Submission 1: Department of Defence. In short the project proposes the following by state.

## QUEENSLAND

### Gallipoli Barracks, Enoggera

- Elements to enable 8<sup>th</sup>/9<sup>th</sup> Battalion and the growth in the supporting units to fit within a spatially constrained Barracks:
  - ⇒ construct new 8<sup>th</sup>/9<sup>th</sup> Battalion precinct comprising Battalion headquarters and Training facilities, Manoeuvre Company and Manoeuvre Support Company facilities and Administration Company facilities;
  - ⇒ construct new 2<sup>nd</sup> Combat Engineer Regiment facilities comprising Regimental Headquarters and Unit Training, 2, 7 and 11 Combat Engineer Squadrons facilities, 24 Support Squadron facilities, Operations Support Squadron facilities, Transport Compound and Training facilities;

- ⇒ construct new 7<sup>th</sup> Combat Signal Regiment precinct comprising Regimental Headquarters and Unit Training, 139<sup>th</sup> and 140<sup>th</sup> Signal Squadron facilities and Operational Support Squadron facilities;
- ⇒ construct new and refurbish existing 7<sup>th</sup> Combat Services support Battalion facilities comprising shared two-storey facility, Battalion Armoury workshop, Electronic Instrument Repair workshop, Vehicle Storage Compound, Supply Company warehouse, extension of Vehicle Workshop, new Bulk Fuel Tanker park and administration building;
- ⇒ construct new 2<sup>nd</sup>/14<sup>th</sup> Light Horse Regiment facilities comprising working accommodation, storage space and ablutions;
- ⇒ construct new Headquarters for 1<sup>st</sup> Division and 1<sup>st</sup> Intelligence Battalion comprising shared office building, Battalion Q-Store, administration, ablutions and maintenance facility;
- ⇒ construct new multi-storey Explosive Hazards Centre;
- ⇒ construct new working accommodation, storage and vehicle shelters for 1<sup>st</sup> Topographical Survey Squadron;
- ⇒ construct new facilities for Land Warfare Centre Warrant Officer and Non Commissioned Officer Academy comprising lecture theatres, rooms, working accommodation and living-in accommodation;
- ⇒ construct new Defence Support precinct comprising three-storey office building and garrison conference centre;
- ⇒ construct new Garrison support precinct comprising facility for Defence Publishing Service, Mail Centre and Furniture Store;
- ⇒ other various new facilities including Joint Logistics Unit – South Queensland Clothing Store, three multi-storey car-parks, additional childcare centre, Physical Training Centre comprising indoor pool, courts, rooms and offices and 361 Living-In Accommodation rooms;
- ⇒ refurbish the DefCredit facility;
- ⇒ construct new and refurbish existing Barracks Training Facilities; and
- ⇒ construct new and refurbish existing Engineering Services comprising fire and potable water reticulation, stormwater, sewer, natural gas, high voltage electrical reticulation, fire protection systems, communications networks, road network and car-parking.

**Lavarack Barracks, Townsville**

- refurbish facilities for the 3 Combat Services Supply Battalion;
- construct new and refurbish existing Combat Training Centre;
- construct new and refurbish existing Land Warfare Centre Warrant Officer and Non-Commissioned Officer Academy;
- construct 3 new ranges for the Field Training Area; and
- construct new Explosives Store House.

**Wide Bay Training Area, near Gympie**

- construct new Special Weapons Range, Assault Grenade Ranges, Explosive Pallet Space, Marksmanship Training Range and Accommodation; and
- refurbish existing Vehicle refuelling/washing facilities, Infrastructure and Demolitions Range.

**RAAF Base Amberley, Ipswich**

- construct new facility to support the relocation of Headquarters 6th Engineer Support; and
- construct new facilities to support a regiment from Gallipoli Barracks, Enoggera, Queensland comprising working accommodation, ablution, storage and training facilities.

**Greenbank Training Area, Greenbank**

- construct new 25<sup>th</sup>/49<sup>th</sup> Battalion Headquarters, 2 Company buildings, Q Store and transport compound;
- construct new accommodation facilities;
- construct new training facilities comprising Safe Driver Training Area, Marksmanship Training Range, Range control complex, Urban Operation Training facility, Method of Entry training facility, Engineer Mine Clearance Lanes and Vehicle wash facility and depot; and
- construct new entry point.



**Kokoda Barracks and Canungra Training Area, Canungra**

- construct new Battle Simulation Centre, Living-In Accommodation and Camp Accommodation; and
- refurbish existing facilities comprising works to the Gymnasium and Electronic Open Range.

**NEW SOUTH WALES****Lone Pine Barracks, Singleton**

- construct new School of Infantry Headquarters, permanent Living in Accommodation, Battle Simulation Centre, Weapon Repair Facility, Museum and Pass Office; and
- construct new and refurbished training area and ranges comprising new Urban Operations Training facility, new Explosive Pallet Space, new vehicle wash point and refurbished ablutions and storage.

**Garden Island and HMAS Penguin, Sydney**

- construct new Primary Casualty Reception Facility comprising Central Dispensing Point addition at Garden Island; and
- refurbish existing working and training facilities and HMAS Penguin.

**AUSTRALIAN CAPITAL TERRITORY****Royal Military College, Canberra**

- construct new Living-In Accommodation and working accommodation for instructors; and
- construct new facilities for Majura Training Area Camp Blake comprising accommodation, lecture theatre, headquarter offices, amenities and refurbishment of existing Urban Operations Training Facility.

**VICTORIA****Simpson Barracks, Watsonia**

- construct new Technical Training Wing building; and
- refurbish covered training area.

**Puckapunyal Military Area, Puckapunyal**

- construct new Explosive Pallet Space.

**SOUTH AUSTRALIA****RAAF Base Edinburgh, Adelaide**

- construct new Land Warfare Centre's Warrant Officer and Non-Commissioned Officer Academy.

**Cultana Training Area, Cultana**

- construct new Explosive Pallet Space, Urban Operations Training facility, Field Firing Training system Range and accommodation.

5.10 The ELF Stage 2 project is due to commence construction in mid 2010 with completion anticipated in 2014.

5.11 The Committee finds that the proposed scope of works is suitable to meet the needs of the ELF Stage 2 Facilities project.

**Cost of works**

5.12 The total estimated out-turn cost for this project is \$1,457.836 million excluding GST.

5.13 Defence notes in its submission that it anticipates an increase in net operating costs due to the construction of new facilities and the associated increases in facilities maintenance, cleaning and utilities expenses.<sup>3</sup>

5.14 The Committee is satisfied that the costings for the project provided to it are adequate and suitable contingency planning is in place to ensure budget overruns in any one area do not compromise the project as a whole.

**Deferred works**

5.15 Defence briefed the Committee on the potential for savings accrued throughout the works project to be used to fund deferred works. In particular two issues of concern were discussed, being:

- urgent upgrades that may result from the Defence security review; and

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3 Submission 1, Defence, p 41.

- the lack of adequate Living-In Accommodation at Townsville for personnel at Lavarack Barracks, Townsville.
- 5.16 The Committee encourages Defence to ensure that any deferred works focus on potential security upgrades to bases and the provision of Living-In Accommodation at Lavarack Barracks, Townsville.

## Recommendation 6

**The Committee recommends that the Department of Defence direct any savings identified in the Enhanced Land Force Stage 2 facilities project on Lavarack Barracks towards improving base security and providing additional Living-In Accommodation at Lavarack Barracks, Townsville.**

## Project issues

### Traffic concerns

- 5.17 The most significant concern that has been raised with the Committee relates to traffic congestion around a number of the bases where ELF 2 works will occur. A number of submissions to the inquiry as well as participants at the public hearing raised concerns about the severity of traffic congestion around the various bases in Queensland.<sup>4</sup>
- 5.18 Specific traffic problems are detailed below.

### Gallipoli Barracks

- 5.19 Local residents expressed dissatisfaction with the current levels of traffic on roads surrounding the base, in particular Samford Road. Residents stated that traffic congestion could be eased by building a new entrance to the Barracks off Samford Road.<sup>5</sup> They assess that this entrance would ease congestion on other local roads by drawing traffic away from those areas.

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4 See for example: Submission 2; Submission 5; Submission 6; Submission 7, Submission 9, Submission 10 and Submission 11 as well as Community Statements from Mr N. Dance, Private Capacity, Mr I. Ferrier, Ferry Grove Neighbourhood Watch; Mr D. Selth, Department of Transport and Main Roads; Mr M. Watt, State Member for Everton; Mr T. Fensom, Brisbane Region Environment Council; Mr H. Gibson, Private Capacity and Mr C. Harbeck, Private Capacity, *Proof Transcript of Evidence*, 4 November 2009, pp 14 – 20.

5 Mr H. Gibson, Private Capacity, *Proof Transcript of Evidence*, 4 November 2009, p 19, Mr I. Ferrier, Submission No. 5, p 4.

- 5.20 Defence responded that there is land reserved for an entry on to Samford Road and that consultation with state and local government is ongoing. Defence added that it hoped to resolve this issue in the next six to 12 months.<sup>6</sup>

### **Recommendation 7**

**The Committee recommends that the Department of Defence consult with state and local governments in order to finalise plans for an entrance off Samford Road, Enoggera with Defence funding a fair and reasonable portion of the cost of the road works, in order to ease traffic congestion in the vicinity of Gallipoli Barracks.**

#### **Greenbank Training Area**

- 5.21 Logan City Council raised concerns about the proposal to relocate the range entry of the Greenbank Training Area. Of particular concern to the Council was the impact of increased traffic and military convoys on Greenbank State School, which would be directly impacted by the proposed changes.
- 5.22 Defence responded that the proposed new entry point was indicative only, and that the final location was yet to be determined, and will be done once a detailed traffic study has been undertaken. Defence undertook to consult with Logan City Council and the Queensland Department of Transport and Main Roads in the preparation of the traffic study. Defence added that Defence vehicles would not be required to drive along Goodna Road past the Greenbank State School.<sup>7</sup>

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6 Brigadier W. Grice, Defence, *Proof Transcript of Evidence*, 4 November 2009, p, 21.

7 Supplementary Submission 1.2, Defence.

### Wide Bay Training Area

- 5.23 A submission to the inquiry raised concerns that there is only one access road to Wide Bay Training Area. The submission states that there is a proposal to upgrade Counter Road, which would provide an alternate access to the training area, however the upgrade cannot commence due to a lack of funding.<sup>8</sup>
- 5.24 The Committee recognises that solving traffic problems around Defence bases is not only the responsibility of Defence. Nevertheless, as a contributor to traffic congestion, Defence should accept responsibility for some of the traffic concerns. The Committee urges Defence to consult with federal, state and local traffic and roads authorities to mitigate some of the traffic problems which have been raised throughout this inquiry.
- 5.25 Another concern that has been brought to the attention of the Committee, in the current and previous inquiries, is the impact of anti-social and dangerous behaviour by Defence personnel on the local communities in which Defence bases are located. Similar concerns have been raised in Chapter 3. The Committee remains concerned that the behaviour of some Defence force personnel impacts negatively on local residents. Defence has a responsibility, as an employer and member of the community, to ensure that its personnel act in a responsible manner both on and off-base.

### Consultation

- 5.26 The Committee acknowledges the difficulty confronting Defence when trying to consult with multiple stakeholders, and also acknowledges the recent good work of Defence in trying to ensure that it consults more widely.
- 5.27 However, as mentioned in the previous section, the Committee is aware of significant community concerns about the proposed works, many of which have resulted from the perceived inadequacy of Defence's consultation process.
- 5.28 Members of the community were given the opportunity to raise their concerns at the public hearing in Brisbane on 4 November 2009. These concerns include a failure by Defence to consult with the local State Member of Parliament, Mr Murray Watt MP, Member for Everton, whose electorate would be impacted on by the proposed works on the Base. Mr Watt recommended that:

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8 Gympie Regional Council, Submission No. 6.

... in future local members whose electorates approach the barracks be consulted, given that there are often spillover effects from the barracks onto their electorates.<sup>9</sup>

- 5.29 The representative from Logan City Council, Mr James, raised the concerns regarding the Greenbank State School as noted above. Mr James noted that the Council would find it helpful if Defence consulted with the school directly to give accurate information and respond directly to concerns of the school.<sup>10</sup>
- 5.30 The Committee is of the opinion that many community concerns about Defence projects can be addressed and minimised through proper consultation. The Committee agrees that it is incumbent on Defence to be proactive when undertaking consultation by seeking to engage with all parties that may have an interest, not simply those in the immediate vicinity of the works.

### **Recommendation 8**

**The Committee recommends that the Department of Defence develop a consultation protocol that ensures that consultation with local government and, where appropriate state government, occurs in line with routine local planning procedures.**

### **Open space**

- 5.31 The Committee questioned Defence about the loss of open space at Duncan Oval, Gallipoli Barracks as a result of the proposed works. The Base Commander noted that the loss would be around 10 percent of current open space and that while he:
- ... would rather not lose any ... that [the 10 percent loss] will not have a significant impact on what we use it for now.<sup>11</sup>
- 5.32 Brigadier Grice from Defence's Infrastructure Asset Development Branch noted that potential existed in future works projects to expand the open

9 Mr M. Watt MP, State Member for Everton, *Proof Transcript of Evidence*, 4 November 2009, p 17.

10 Mr B. James, Logan City Council, *Proof Transcript of Evidence*, 4 November 2009, p, 14.

11 Brigadier S. Day, Defence, *Proof Transcript of Evidence*, 4 November 2009, p, 24.

spaces of Gallipoli Barracks, and that this may result in a 15 percent increase in the size of Duncan Oval based on its original size.<sup>12</sup>

- 5.33 The Committee is concerned about the impact of a loss of open space on the training functions and physical exercise of Defence personnel based at Gallipoli Barracks.

### **Recommendation 9**

**The Committee recommends that the Department of Defence ensure that any future proposals for work at Gallipoli Barracks consider increasing the size of Duncan Oval, with a view to increasing the open space available on the Base.**

## **Environmental Considerations**

- 5.34 Defence submitted that a Departmental review of the project has not identified any significant environmental concerns. The submission adds that the designs have incorporated features such as: minimising tree loss through prudent siting decisions, use of low-water indigenous vegetation and stormwater reuse in gardens, and harnessing energy efficiency and conservation measures.
- 5.35 The Brisbane Region Environment Council (BREC) made a submission to the Committee, and was represented by Mr Fensom at the public hearing. BREC raised concerns about the impact on flora and fauna of elements of the project at Greenbank Military Training Area and that environmental management plans had not been developed to mitigate any potential negative environmental impacts.<sup>13</sup>
- 5.36 Defence responded that it is complying with the *Environment Protection and Biodiversity Act 1999* through developing a Defence Environment Management System (EMS). This EMS manages the environmental values across the site including weed control and fire management. In addition, the works proposed for Greenbank Military Training Area will be governed by a Construction and Environment Management Plan (CEMP). The CEMP will manage the environment during construction and will also

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<sup>12</sup> Brigadier W. Grice, Defence, *Proof Transcript of Evidence*, 4 November 2009, p, 24.

<sup>13</sup> Submission 8, Brisbane Region Environment Council.

address off-site construction impacts such as construction vehicle traffic and lighting.<sup>14</sup>

## Committee comment

- 5.37 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 5.38 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 10

**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: Enhanced Land Force Stage 2 Facilities Project.**

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14 Submission 1.3, Defence.



## **Redevelopment of Tarin Kowt, Afghanistan**

- 6.1 On 22 October 2009, the Committee received a referral to inquire into the redevelopment of Tarin Kowt Stage 1 project. The project proposes to provide upgraded living and working accommodation and facilities for Australian personnel deployed to Tarin Kowt, Afghanistan.
- 6.2 The Committee received a confidential submission from the Department of Defence (Defence) on the proposal. The Committee held both a short public hearing and an in-camera hearing on 29 October 2009 in Canberra. Submissions are listed at Appendix A and a list of witnesses at the public hearing can be found at Appendix B.
- 6.3 Between the referral of Stage 1 to the Committee and the in-camera hearing, Stage 2 of the proposed redevelopment received Government funding approval. The Committee therefore received a detailed briefing on both stages and agreed to consider the project as a whole.
- 6.4 The Committee's findings are based on scrutiny of the project in detail. However, release of detailed information on the project is considered to be contrary to the public interest and therefore the Committee is reporting only in a limited manner.

### **Need and scope**

- 6.5 The proposed works aim to replace interim accommodation by providing protected working and living accommodation and kitchen facilities for Australian forces deployed to Tarin Kowt, Afghanistan.
- 6.6 The Committee finds there is a need for the proposed works and the scope is appropriate to meet the project needs.

## Cost

- 6.7 The total estimated cost of the project is \$86.47 million (excluding GST). The Committee received a confidential supplementary submission detailing the project costs and took evidence in the in-camera hearing regarding the project costs.
- 6.8 The Committee finds that the cost estimates provided to it are adequate to meet the needs of the redevelopment of Tarin Kowt proposal.

## Committee comment

- 6.9 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 6.10 Having examined the purpose, need, use and public value of the work, the Committee considers that it is expedient that the proposed works proceed.

### Recommendation 11

**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:  
Redevelopment of Tarin Kowt, Afghanistan.**

## **Tropical Marine Research Facilities, Cape Ferguson and Townsville, Queensland**

- 7.1 The Tropical Marine Research Facilities project seeks to provide facilities to support research undertaken by the Australian Institute of Marine Science in pursuit of the National Research Priorities in the area of marine science. The estimated cost of the project is \$49.5 million (excluding GST).
- 7.2 The proposal was referred to the Committee on 22 October 2009.

### **Conduct of the inquiry**

- 7.3 The inquiry was advertised in local and national newspapers and submissions sought from those with a direct interest in the project. The Committee received three submissions and one confidential supplementary submission detailing the project costs. A list of submissions can be found at Appendix A.
- 7.4 The Committee undertook a site inspection at Cape Ferguson, and a public hearing and an in-camera hearing on the project costs in Townsville, on 5 November 2009. A list of witnesses can be found at Appendix B.
- 7.5 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: Australian Institute of Marine Science (AIMS).

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

## Need for works

- 7.6 The Australian Institute of Marine Science conducts research that is directly relevant to the National Research Priorities, that contributes to sustainable development in tropical Australia, that explores the capacity of marine ecosystems to adapt to climate change, and that develops appropriate options to mitigate climate change.<sup>2</sup>
- 7.7 The AIMS submission states that the works are necessary to ensure:
- a reduction in experiment duration;
  - an increase in the quality and volume of seawater for research;
  - more workspaces and improved reliability of building services;
  - increased security of and access to AIMS' biological collections;
  - a reduction of energy consumption; and
  - a new vessel berthing facility to replace the current facility in the Ross River, Townsville.<sup>3</sup>
- 7.8 The Committee notes the significant contribution AIMS makes to marine science research in Australia and the opportunity it provides for training and development, particularly for doctoral students. The Committee finds that there is a need for the proposed works.

## Scope of works

- 7.9 The proposed scope of the works is detailed in Submission 1: AIMS. In short, the project proposes the following:
- Australian Tropical Oceans Simulator (ATOS) - new building with 'seawater rooms' and associated equipment;
  - seawater infrastructure upgrade - upgraded pumping system, new storage ponds and tanks, and new filtering/reticulation system;
  - tropical collections facility and office extension - a three-storey extension to the main building, incorporating storage, workshops and offices;
  - power supply and backup (11 kilovolt) - new cabling network, conduits and an additional diesel backup generator;

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2 Submission 1, Australian Institute of Marine Science (AIMS), p. 7.

3 Submission 1, AIMS, pp. 9-12.

- off-peak chiller plant – new piping system across site, new plant building and new plant including chillers, pumps and a thermal energy (chilled water) storage tank;
- energy efficiency project – new passive and active measures, including dynamic building controls and more efficient lighting; and
- vessel berthing facility – lease for land and water in the Townsville Marine Precinct (under development), as well as associated wharf construction and land improvements.<sup>4</sup>

7.10 The project is due to commence construction in late 2009 with completion anticipated in late 2012.

7.11 The Committee finds that the proposed scope of works is suitable to meet the needs of the Tropical Marine Research Facilities project.

## **Cost of works**

7.12 The total estimated out-turn cost for this project is \$49.5 million (excluding GST). The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with AIMS on the project costs.

7.13 The Committee notes that AIMS has incorporated allowances for project contingencies in the budget and will direct these funds towards enhancements of the proposed works if the contingencies are unrealised.<sup>5</sup>

7.14 The Committee is satisfied that the costings for the project provided to it are adequate.

## **Project issues**

### **Vessel berthing facility**

7.15 AIMS currently leases berthing facilities in the Ross River, Townsville. However, a new road being built to service the Townsville Port will make the Ross River (and AIMS' current facilities) inaccessible to most vessels. In light of this change to river access, the Port of Townsville Limited is

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4 Submission 1, AIMS, pp. 14-15.

5 Submission 1, AIMS, pp. 17-19.

developing the new Townsville Marine Precinct. AIMS proposes to enter into a long-term lease for a berthing facility in the new development.<sup>6</sup>

- 7.16 AIMS advised the Committee that it has a risk management plan in place for possible delays to the current schedule and that it has an interim vessel berthing option available should the Townsville Marine Precinct be delayed.<sup>7</sup>
- 7.17 In respect of the project funding and financial risk, AIMS advised the Committee that as long as the new facilities are completed within three years the sub-project will not be jeopardised.<sup>8</sup>

### Utilities

- 7.18 The Committee sought assurances from AIMS about its supply of utilities, especially given the site's distance from Townsville. AIMS advised the Committee that its current supply of water and electricity are more than sufficient for the expanded facilities.<sup>9</sup>

### Committee comment

- 7.19 The Committee is pleased to note the significant contribution the new facilities will make towards Australia's scientific research capabilities. In particular, AIMS indicated that the ATOS facility will:
- provide capacity that does not exist in Australia and rarely exists in the world...[and] we are planning a facility that will be unique in the world, internationally unique, and therefore will add value [to science research internationally].<sup>10</sup>
- 7.20 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.

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6 Submission 1, AIMS, p. 12.

7 Mr D. Mead, General Manager, AIMS, *Proof Transcript of Evidence*, 5 November 2009, p. 4.

8 Mr D. Mead, General Manager, AIMS, *Proof Transcript of Evidence*, 5 November 2009, p. 5.

9 Mr A. Caldwell, Infrastructure Development Manager, AIMS, *Proof Transcript of Evidence*, 5 November 2009, p. 7 & 10.

10 Dr L. Llewellyn, Research Manager, AIMS, *Proof Transcript of Evidence*, 5 November 2009, p. 6.

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

### **Recommendation 12**

**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: Tropical Marine Research Facilities, Cape Ferguson and Townsville, Queensland.**

Senator the Hon Jan McLucas  
Chair  
19 November 2009







## **Appendix A – List of submissions**

### **Construction of Housing for Defence at Gordon Olive Estate at McDowall, Brisbane, Queensland**

- 1 Defence Housing Australia (DHA)
  - 1.1 Confidential
  - 1.2 Defence Housing Australia (DHA)
- 2 Department of the Environment, Water, Heritage and the Arts

### **Construction of Housing for Defence at Larrakeyah Barracks, Darwin, Northern Territory**

- 1 Defence Housing Australia (DHA)
  - 1.1 Confidential
  - 1.2 Defence Housing Australia (DHA)
- 2 Mr Ian Lea

## **Midlife Engineering Services Refurbishment of the Australian Embassy, Paris, France**

1. Department of Foreign Affairs and Trade
  - 1.1 Confidential
  - 1.2 Department of Foreign Affairs and Trade
- 2 Department of the Environment, Water, Heritage and the Arts

## **Enhanced Land Force Stage 2 Facilities Project**

- 1 Department of Defence
  - 1.1 Confidential
  - 1.2 Department of Defence
  - 1.3 Department of Defence
  - 1.4 Department of Defence
  - 1.5 Department of Defence
- 2 Logan City Council
- 3 Department of the Environment, Water, Heritage and the Arts
- 4 Townsville City Council
- 5 Mr Ian Ferrier
- 6 Gympie Regional Council
- 7 Queensland Department of Transport and Main Roads
- 8 Brisbane Region Environment Council
- 9 Ms Sue-Ann Carmont
- 10 Mr Dearne Mulder
- 11 Ms Jacqueline Woodhouse

## **Redevelopment of Tarin Kowt, Afghanistan**

- 1 Department of Defence (Confidential)
  - 1.1 Confidential
- 2 Department of Defence (Confidential)
  - 2.1 Confidential

## **Tropical Marine Research Facilities, Cape Ferguson and Townsville, Queensland**

- 1 Australian Institute of Marine Science
  - 1.1 Confidential
- 2 Department of Innovation, Industry, Science and Research
- 3 Department of the Environment, Water, Heritage and the Arts





## **Appendix B – List of inspections, hearings and witnesses**

### **Construction of housing for Defence on Gordon Olive Estate at McDowall, Brisbane, Queensland**

**Monday, 12 October 2009 – Brisbane**

#### **Site Inspection**

Gordon Olive Estate at McDowall, Brisbane, Qld

#### **Public hearing**

##### ***Defence Housing Australia***

Mr Roger Bollen, National Manager, Land Provisioning

Mr Peter Howman, Acting Managing Director

Mrs Bronwyn Kennedy, Regional Manager, Brisbane Housing Management

Mr Vidondaraja (Raja) Narayanasamy, Development Manager, Land Provisioning

##### ***Deicke Richards Architecture***

Mr Cameron Davies, Project Architect

**In-Camera hearing**

Three witnesses

**Construction of Housing for Defence at Larrakeyah Barracks, Darwin, Northern Territory**

**Monday, 9 November 2009 – Darwin**

**Site Inspection**

Larrakeyah Barracks, Darwin, NT

**Public hearing*****Defence Housing Australia***

Mr Jason Northwood, Project Director, Acquisitions and Development

Mr Peter Howman, Chief Operating Officer

Ms Catherine Heys, Northern Territory Regional Manager

Mr Roger Bollen, National Manager, Land Provisioning

***Department of Defence***

Mr Robert McComas, Project Director, RSB/BSC, Defence Support Group

***Williams Boags Architects***

Mr John Clark, Director

***Tract Consultants***

Mr Richard Garnham, Landscape Architect

***SMEC Urban***

Mr Carl Wilkinson, General Manager

**In-Camera hearing**

8 Witnesses

## **Enhanced Land Force Stage 2 Facilities Project**

### **Friday, 30 October 2009 – Singleton**

#### **Site Inspection**

Lone Pine Barracks, Singleton, NSW

### **Wednesday, 4 November 2009 – Brisbane**

#### **Site Inspection**

Gallipoli Barracks, Enoggera, Qld

#### **Public hearing**

##### ***Department of Defence***

Brig. Stephen Day, Commander, 7<sup>th</sup> Brigade

Brig. William Grice, Director General, Infrastructure Asset Development

Mr Gordon Hooker, Director, Explosive Ordnance Reform, Joint Logistics Command, Vice Chief Defence Force Group

Ltcol. Andrew Meacham, Commanding Officer, Warrant Officer and Non-Commissioned Officer Academy, Land Warfare Centre

Mr Steve Olsen, Manager, Estate and Facilities Services, Defence Support Queensland

Mr Craig Patterson, Assistant Director, South Queensland

Mr Peter Pullman, Aurecon Australia Pty Ltd

Mr Richard Tanzer, Director, Enhanced Land Force Facilities

Mr Rick Zentelis, Director, Heritage and Biodiversity Conservation

#### **Community Statement Session**

Mr Ned Dance, Individual

Mr Ted Fensom, Brisbane Region Environment Council

Mr Ian Ferrier, Ferry Grove Neighbourhood Watch

Mr Howard Gibson, Individual

Mr Chris Harbeck, Individual

Mr Bruce James, Logan City Council

Mr David Selth, Queensland Department of Transport and Main Roads

Mr Murray Watt, State Member for Everton

**In-Camera hearing**

Nine witnesses

**Thursday, 5 November 2009 – Townsville**

**Site Inspection**

Lavarack Barracks, Townsville, Qld

**Midlife Engineering Services Refurbishment of the  
Australian Embassy, Paris, France**

**Monday, 26 October 2009 – Canberra**

**Public hearing**

***Department of Foreign Affairs and Trade***

Mr Peter Davin, Executive Director, Overseas Property Office

Mr Keith Harmsworth, Acting Assistant Secretary, Property Projects Branch,  
Overseas Property Office

***ITC Group Pty Ltd***

Mr Mays Chalak, Director

***Turner and Townsend Pty Ltd***

Mr Matthew Figgis, Director, Cost Management



**In-Camera hearing**

Four witnesses

**Redevelopment of Tarin Kowt, Afghanistan**

**Thursday, 29 October 2009 – Canberra**

**Public hearing*****Department of Defence***

Major Julie Green, Staff Officer Grade Two Force Engineer, Headquarters Joint Operations Command

Brig. William Grice, Director General, Infrastructure Asset Development

Mr Peter Hutchinson, Consultant to Defence, Sinclair Knight Merz

Brig. Andrew Sims, Director General, Support, Headquarters Joint Operations Command

**In-Camera hearing**

Four witnesses

**Tropical Marine Research Facilities, Cape Ferguson and Townsville, Queensland**

**Thursday, 5 November 2009 – Townsville**

**Site inspection**

Australian Institute of Marine Science, Cape Ferguson, Qld

**Public hearing*****Australian Institute of Marine Science***

Mr Alan Caldwell, Infrastructure Development Manager

Mr David Crute, New Works Manager

Ms Susan English, Manager Government Business

Dr Lyndon Llewellyn, Research Manager

Mr David Mead, General Manager

**In-Camera hearing**

Five witnesses