

Issues and Conclusions

Changes to Original Project Design

3.1 At the public hearing, Defence informed the Committee of two notable changes that had been incorporated into the design of the new MUD facility since the agency's evidence was submitted in March. Under the new design, it is proposed to:

- collocate the Cadet and Reserve precincts; and
- provide barracks-style overnight accommodation for up to 120 Cadets¹.

Defence believes that these changes represent better value for money for the Commonwealth².

Collocation of Reserve and Cadet Precincts

3.2 According to Defence, the major benefit in collocating the Reserve and Cadet precincts is that concentrating the facilities will deliver cost savings which can then be transferred to fund the project's accommodation element³.

1 Appendix D, Official Transcript of Evidence, p. 2

2 ib id, p. 4

3 ib id

- 3.3 Further, Defence explained that the provision of an identified Cadet precinct will ensure that Cadets maintain priority use of their own facilities. This strategy reflects the Defence Department's increased awareness of the importance and value of Cadets,

“...both as a link to the community and also as a future recruiting base”⁴.

- 3.4 Defence assured the Committee that, in order to satisfy its duty of care, the proposed collocation of the Cadet and Reserve precincts would not entail Reservists and Cadets using facilities concurrently⁵.
- 3.5 During the course of the confidential briefing and public hearing, it was revealed that the collocation of the Reserve and Cadet precincts would necessitate construction of separate ablution facilities for Cadets and Reserves, instead of the single shared facility originally proposed, with the association of some additional costs.

Provision of Overnight Accommodation

- 3.6 Defence believes that the addition of an accommodation component to the proposed MUD represents better value for money, as it will allow for greater sharing of facilities. It was stated that close examination of the initial MUD design revealed that it would not meet all accommodation requirements⁶.
- 3.7 Defence expects that the proposed barracks-style accommodation will house a total of 120 persons. While intended primarily for use by Cadets, the barracks will be available for Reserves and other users when otherwise unoccupied. Defence anticipates that the accommodation will be useful in meeting military surge requirements and also in providing disaster relief, as was the case during the bushfire crisis in January 2003⁷.

Compliance with the National Capital Plan

- 3.8 Having received written and oral evidence from the National Capital Authority (NCA), the Committee was interested to ensure that the

4 Appendix D, Official Transcript of Evidence, p. 9

5 ib id, p. 4

6 ib id

7 ib id

proposed MUD works will comply with all the NCA's requirements under the National Capital Plan (NCP).

- 3.9 Written evidence supplied by the NCA indicated that the Authority was generally supportive of the proposed works (which were found to be consistent with the NCP), but added that:

“Further assessment of the proposal to ensure compliance with the provisions of the Development Control Plan will be required at the detailed design stage...”⁸.

- 3.10 The NCA's main concern regarding the proposed development was the potential impact upon Canberra Avenue, identified in the NCP as a “designated approach route” to the National Capital. At the public hearing, NCA representatives stated that this concern had been allayed following discussions with Defence, and that changes to the location of MUD facilities meant that the impact of the works upon Canberra Avenue would be greatly reduced.

- 3.11 The NCA stated that they could not envisage any significant delays being occasioned to the works schedule as a result of achieving compliance with the requirements of the NCP⁹.

Consultation with the Australian Greenhouse Office

- 3.12 In considering the written evidence supplied by Defence, Committee members noted that, while the submission outlined a number of proposed energy efficiency measures, no reference was made to consultation between Defence and the Australian Greenhouse Office (AGO). The omission was considered to be of some concern, as the AGO oversees Government agencies' compliance with the provisions of the Commonwealth Energy Policy.
- 3.13 When questioned about this matter at the public hearing, Defence assured the Committee that the Department was consulting with the AGO on the designs for several projects, and that the intention was for similar consultation to occur in relation to the MUD project¹⁰.

8 Submission No. 2, paragraph 4

9 Appendix D, Official Transcript of Evidence, p. 14

10 ib id, p. 16

Recommendation 1

The Committee recommends that the Department of Defence consult with the Australian Greenhouse Office to ensure certification of compliance of the proposed works with the relevant sections of the Commonwealth Energy Policy.

Costs

- 3.14 Committee members were curious to learn why the overall budget for the MUD had remained unchanged despite the addition of an accommodation element and the expansion of the proposed shared ablution facility into two separate ablution blocks.
- 3.15 Defence explained that savings had been gained from collocation of the Cadet and Reserve precincts, and from a reduction in the number of classrooms provided from eight to six. The monies saved in these areas had been reallocated to fund other project elements¹¹.
- 3.16 The Committee remained concerned that:
- “...some of the costings seemed to be conveniently the same...”
- and questioned
- “...why, coincidentally, some of the costings that were no longer part of the project were added quite neatly as new costings”.¹²
- 3.17 In view of unresolved concerns regarding “the convenient shifting of costs”, the Committee requested that Defence provide detailed a cost breakdown for the proposed ablutions facilities.
- 3.18 In a letter to the Committee dated 3 June 2003, Defence explained that additional costs relating to the ablution facilities would be covered by monies previously allocated for intersection works to Canberra Avenue. Defence stated that any intersection works to Canberra Avenue would be absorbed by the budget for the Defence Network

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

12 ib id, p. 10

Operations Centre currently under construction at HMAS Harman, as this facility is likely to have a greater impact upon Canberra Avenue¹³.

- 3.19 Although the Committee was shown the revised MUD project budget at the confidential costs briefing, members were displeased not to have been formally supplied with copies of the amended costs either before or during the hearings. The Deputy Chair requested that Defence supply members with copies of the revised project costs, and to ensure that, in future, such documents are supplied to members in advance of the hearing date¹⁴.

Recommendation 2

The Committee recommends that the Department of Defence clarify in detail the budget for the proposed ablutions facilities, and that a copy of both the ablutions costs, and the revised budget costs for the project as a whole, be supplied to the Committee at the earliest opportunity.

Recommendation 3

The Committee recommends that the proposed provision of facilities for the Australian Capital Territory Multi User Depot proceed at the estimated cost of \$13.5 million pending the satisfaction of the preceding recommendations.

Hon Judi Moylan MP

Chair

25 June 2003

13 Letter from Brigadier Peter Hutchinson, Director General, Infrastructure Asset Development, Department of Defence, 3 June 2003, paragraph 3

14 Appendix D, Official Transcript of Evidence, p. 9

