

## Introduction

### Referral of Work

- 1.1 On 1 March 2007 the proposed Lavarack Barracks Redevelopment Stage 4 was referred to the Public Works Committee for consideration and report in accordance with the provisions of the Public Works Committee Act 1969 (the Act).<sup>1</sup> The proponent agency for this work is the Department of Defence.
- 1.2 The Hon Gary Nairn MP, Special Minister of State informed the House that the estimated out-turn cost of the proposal is \$207.2 million. Subject to parliamentary approval, construction will commence in late 2007, with completion by mid-2011.

### Background

- 1.3 The facilities at Lavarack Barracks at Townsville have been progressively updated over three development stages. These works are Stage 4 of that redevelopment. The principle objectives of this proposal are to improve the efficiency and effectiveness of the infrastructure in support of defence

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<sup>1</sup> Extract from the Votes and Proceedings of the House of Representatives, No. 157, Thursday 1 March 2007

capability, to reduce facilities maintenance expenditure on buildings and infrastructure and to address functional occupational health and safety deficiencies within the existing facilities.

- 1.4 The majority of the facilities that are the subject of this proposal were constructed in the 1960s and 1970s to support pre-deployment training for Vietnam. These facilities are now substandard and no longer provide functionality for a modern army.

## Site

- 1.5 Lavarack Barracks are situated near the southern edge of the city of Townsville at the base of Mount Stuart<sup>2</sup>. The site is a cluster of freehold parcels of land all of which are Commonwealth owned, and controlled by the Department of Defence.<sup>3</sup>

## Options Considered

- 1.6 Defence considered a number of options for the provision of updated facilities at Lavarack Barracks. A comprehensive study indicated that the best value for money for Defence was a combination of the construction of new facilities and the refurbishment of existing facilities.<sup>4</sup>
- 1.7 The proposal to base the redevelopment on a mix of new build and adaptive use of existing facilities will address all of the project objectives while providing best value for money for Defence. Some of the existing facilities are appropriately located and of suitable construction for adaptive reuse.<sup>5</sup>
- 1.8 Studies undertaken by the department as part of its consideration as to the best option to adopt identified potential savings of \$34 million delivered through savings associated with the reuse of existing buildings, including on design fees, in-ground services, and civil works.<sup>6</sup>

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2 Appendix C, Submission No. 1, paragraph 5

3 *ibid.*

4 *ibid.*, paragraph 25

5 *ibid.*, paragraph 26

6 *loc.cit.*

- 1.9 It is envisaged that the refurbishment of existing buildings will include repairs and maintenance, rectification of occupational health and safety deficiencies, and general upgrading of finishes.<sup>7</sup>

## Inquiry Process

- 1.10 The Committee is required by the Act to consider public works over \$15 million<sup>8</sup> and report to Parliament 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>9</sup>
- 1.11 The Committee called for submissions by advertising the inquiry in the *Courier Mail* on Saturday, 10 March 2007. The Committee also sought submissions from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

## Inspection and Hearing

- 1.12 On Wednesday 11 April 2007, the Committee received a confidential briefing from officers of the Department of Defence on the costs of the proposed works to be undertaken at Lavarack Barracks at the Mercure Inn at Townsville. This was followed by a public hearing at the same venue.<sup>10</sup>

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7 *ibid*, paragraph 27

8 *Public Works Committee Act 1969*, Part III, Section 18 (8)

9 *ibid*, Section 17

10 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Wednesday 11 April at the Mercure Inn, Townsville.