



Parliamentary Standing Committee on Public Works

SUPPLEMENTARY REPORT

relating to the

DEVELOPMENT OF NEW UTILITY HELICOPTER FACILITIES AT RAAF BASE, TOWNSVILLE

PROVISION OF 15 NEW MARRIED QUARTERS

(Fifth Report of 1987)

**THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA
1987**

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Provision of 15 new married quarters

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Canberra 1987

MEMBERS OF THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

(Twenty-Eighth Committee)

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Percival Clarence Millar, M.P. (Vice-Chairman)

Senate

Senator Gerry Norman Jones
Senator Dr Glenister Sheil

House of Representatives

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Colin Hollis, M.P.
Leonard Joseph Keogh, M.P.
Keith Webb Wright, M.P. (1)
John Saunderson, M.P. (2)

(1) Resigned 13 February 1986

(2) Appointed 18 February 1986

EXTRACT FROM THE
VOTES AND PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES
NO. 133 DATED THURSDAY, 23 OCTOBER 1986

- 16 PUBLIC WORKS COMMITTEE - REFERENCE OF WORK - UTILITY
HELICOPTER FACILITIES, RAAF BASE, TOWNSVILLE -
DEVELOPMENT: Mr West (Minister for Housing and
Construction), pursuant to notice, moved - That, in
accordance with the provisions of the Public Works
Committee Act 1969, the following proposed work be
referred to the Parliamentary Standing Committee on
Public Works for consideration and report:
Development of new utility helicopter facilities at
RAAF Base, Townsville.

Mr West presented plans in connection with the proposed
work.

Debate ensued.

Question - put and passed.

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

DEVELOPMENT OF NEW UTILITY HELICOPTER FACILITIES
AT RAAF BASE, TOWNSVILLE

SUPPLEMENTARY REPORT

PROVISION OF 15 NEW MARRIED QUARTERS

By resolution on 23 October 1986 the House of Representatives referred to the Parliamentary Standing Committee on Public Works for consideration and report the proposal for the development of new utility helicopter facilities at RAAF Base, Townsville.

The Committee is pleased to present the following supplementary report:

THE INITIAL REFERENCE

1. The proposal, when initially referred to the Committee, comprised the following elements:

- site preparation and the provision of trunk engineering services;
- extension of the taxiway and new helicopter apron;
- construction of a maintenance hangar, flight line annex and technical support facility;
- construction of a headquarters building, ancillary building and car park;

- relocation of a fuel tanker parking area;
- associated security measures; and
- provision of 15 new married quarters.

COMMITTEE'S SECOND REPORT OF 1987

2. The Committee's Second Report of 1987 (Parliamentary Paper No. 69/1987) recommended the construction of the on-base helicopter facilities contained in the initial reference. The Committee also concluded that insufficient evidence had been presented to indicate that the 15 proposed new houses could not be provided at less cost using other delivery methods. It was the Committee's intention to present a supplementary report on the 15 houses following a briefing by the Department of Defence (Defence) and the Department of Housing and Construction (DHC) on a number of aspects of Defence housing. The briefing was to be held in conjunction with a proposed reference on Defence housing at Watsonia, Victoria.

BACKGROUND

3. The initial reference related to the provision of facilities at RAAF Base, Townsville, required to support the RAAFs No. 9 Squadron which will be re-equipped with Sikorsky S70-A-9 'Blackhawk' helicopters commencing in October 1987. No. 9 Squadron is presently based at RAAF Base, Amberley, and it is intended to relocate the squadron to Townsville in order to provide support for the Army's Operational Deployment Force which is based there.

4. Construction of the on-base helicopter facilities, approved by Parliament on 2 April 1987, was scheduled to commence in May 1987 with completion by August 1988 to enable the RAAF to achieve operational readiness by December 1988.

5. Housing Requirements Defence advised the Committee that there will be a requirement for an additional 113 houses as a consequence of the relocation of No. 9 Squadron. The requirement could be partly met in the first instance by transferring 42 surplus Army houses to the RAAF, to provide 56 new houses later. In order to partially rectify the imbalance between houses available and rank structures, it was proposed to construct 15 new houses for more senior ranks.

6. These houses, were estimated to cost \$1.4 million (or about \$100,000 each), at October 1986 prices, excluding the cost of land.

7. The proposed mix of houses was as follows:

Group	3-bedroom	4-bedroom
2	1	2
3	11	1

8. The Committee questioned a number of aspects, the main ones being their cost, method of delivery and location.

9. Cost The Committee suggested to Defence and DHC that the unit cost of about \$100,000, exclusive of land, appeared to be somewhat high in view of general houses prices in the Townsville area prevailing at the time. DHC contended that the proposed houses will require be quite significant in size (135 square metres), the blocks on which they are to be constructed will need to be developed and landscaped, and they would need to be completely fitted out. DHC suggested that any comparisons between market prices for average sized three bedroom houses is largely invalid.

10. The Committee was also advised that within the context of relative costs it is extremely unlikely that suitable established houses, meeting scales and standards, could be purchased in Townsville.

11. Method of Delivery The proposed method of delivery of the houses involved DHC undertaking the design and supervising construction by a private contractor. DHC and Defence considered this method of delivery to be the most appropriate in this particular case. Other methods of delivery are:

- land/house packages where builders construct houses on their land;
- construction by a state housing commission; or
- builders submitting plans to DHC and being supervised by the department.

12. Location It was originally intended to construct the houses on Defence-owned land, purchased in 1981-82 for P1/2 scale houses. Defence subsequently advised that construction of larger scale houses on these blocks would result in over-capitalisation due to the characteristics of the blocks and adjacent residential development. Defence maintained therefore that the new houses should be constructed on blocks where over-capitalisation is avoided. It was therefore proposed that Defence acquire more suitable blocks which are available in the \$22,000 to \$25,000 price range.

13. Summary In considering the three factors mentioned above, cost, delivery method and location, the Committee considered that the estimated cost of providing the 15 new houses was too high and was unconvinced that the houses could not be provided at a lower cost using other methods of delivery.

THE ISSUE

14. The issue now before the Committee derives from correspondence which has recently been received from Defence and DHC and from a briefing to the Committee which was given by officers from the two departments on 4 June 1987.

15. Correspondence In April 1987 the Defence advised that the approved Acquisition Program for 1986-87 includes the purchase of 15 new housing sites at Townsville. The Department of Local Government and Administrative Services (DOLGAS) is presently proceeding to purchase these sites. Defence sought the agreement of the Committee to the acquisition proceeding.

16. On 10 April 1987 the Committee requested Defence to advise of the implications of the Committee not agreeing to the acquisition of the 15 sites.

17. On 27 May 1987 Defence advised that if the Committee were not to agree to the acquisition of the 15 sites, the 15 new houses would not be available when required and that recent effort by Defence, DHC and DOGLAS in identifying suitable sites and negotiating their purchase would be largely wasted.

18. Defence advanced a number of arguments why it is considered prudent to proceed with the acquisition now. First, DOLGAS advice that there is a shortage of suitable quality land within a price ceiling of \$25,000; secondly, negotiations have reached the stage where purchase of the sites could be finalised quickly within the \$25,000 price ceiling.

19. Thirdly, Defence is faced with a substantial program in Townsville over the next decade to replace sub-standard housing in poor locations. Purchase of the 15 sites now would not preclude alternative options for obtaining houses. The sites could be utilised in the replacement program irrespective of the method favoured by the Committee for obtaining houses.

20. The Committee was advised that the dissolution of Parliament on 5 June 1987 will inject a degree of urgency into the need for a decision on the Townsville houses to be made now.

21. Consideration by Committee Defence have indicated that any delays to the acquisition of land and the subsequent construction of houses could cause significant morale problems as the houses will not be available for occupation when the personnel are relocated to Townsville. The Committee accepts that morale is an important consideration but nevertheless remains unconvinced about the need for additional land to be purchased. Therefore the Committee believes that a need for the 15 houses does exist and that construction should be carried out as cheaply as possible. Bearing in mind that Defence has a stock of vacant housing blocks available and that the cost of additional blocks would involve the expenditure of up to \$375,000 for acquisition, the Committee believes the 15 houses should be constructed on existing Defence owned housing blocks in Townsville.

22. Committee's Conclusion There is a need to construct 15 new Defence houses to standards and the mix specified in paragraph 7.

23. Committee's Recommendation The 15 houses estimated to cost \$1.4 million at October 1986 prices should be constructed on existing Defence owned land in Townsville using the most economical method of delivery.

RECOMMENDATIONS AND CONCLUSIONS

24. The recommendations and conclusions of the Committee and the paragraph in the report to which each refers are set out below:

Paragraph

- | | | |
|----|---|----|
| 1. | There is a need to construct 15 new Defence houses to standards and the mix specified in paragraph 7. | 22 |
| 2 | The 15 houses estimated to cost \$1.4 million at October 1986 prices should be constructed on existing Defence owned land in Townsville using the most economical method of delivery. | 23 |



(D.J. FOREMAN)
Chairman

Parliamentary Standing Committee
on Public Works
Parliament House
CANBERRA

4 June 1987