

Report 6/2008

# Referrals tabled

## March-June 2008

- Proposed Fit-Out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT
- Construction of the Australian Pavilion at the Shanghai World Expo 2010, China
- Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, Canberra, ACT
- Construction of New Warehousing Facilities at Wadsworth Barracks, East Bandiana, Vic

Parliamentary Standing Committee on Public Works

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ISBN 978-0-642-79082-8 Printed Version

ISBN 978-0-642-79083-5 HTML Version



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## Foreward

In accordance with the *Public Works Committee Act 1969*, this report presents the views of the Committee on four of the proposed public works referred to it in March and June 2008. The works considered in this report are as follows:

- The Department of Education, Employment and Workplace Relations proposed Fit-Out of New Leased Premises at Block 9, Section 31, Canberra, ACT (valued at \$66m);
- The Department of Foreign Affairs and Trade proposal for the Construction of the Australian Pavilion at the Shanghai World Expo 2010 (valued at \$49.38m);
- The National Capital Authority proposal for the Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, Canberra, ACT (valued at \$26.6m); and
- The Department of Defence proposal for the construction of New Warehousing Facilities at Wadsworth Barracks, East Bandiana, Victoria (valued at \$36.37m).

The Committee examined each proposal in respect of its need, cost, scope, purpose and value for money, and in each case, concluded that it was expedient for the works to be carried out.

I would like to thank all Members of the Committee who gave of their time in examining the broad range of issues during the course of these inquiries.

Mark Butler MP

Chair





## Membership of the Committee

Chair Mr Mark Butler MP

Deputy Chair Senator the Hon Judith Troeth

Members	Mr Nick Champion MP	Senator Mark Bishop
	Mr John Forrest MP	Senator Michael Forshaw
	Mr Damian Hale MP (to 28/08/2008)	
	Hon Peter Lindsay MP	
	Hon Peter Slipper MP	
	Hon Roger Price MP (from 28/08/2008)	

## Committee Secretariat

Secretary James Catchpole

Inquiry Secretary Mark Rodrigues

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Belynda Zolotto

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## List of abbreviations

ACT	Australian Capital Territory
Defence	Department of Defence
DEEWR	Department of Education, Employment and Workplace Relations
DEWHA	Department of the Environment, Water, Heritage and the Arts
DFAT	Department of Foreign Affairs and Trade
EEGO	Energy Efficiency in Government Operations
JSCNCET	Joint Standing Committee on National Capital and External Territories
PWC	Parliamentary Standing Committee on Public Works
NCA	National Capital Authority
NCDC	National Capital Development Commission
The Act	<i>Public Works Committee Act 1969</i>
WBGS	Walter Burley Griffin Society





## List of recommendations

### **Proposed Fit-Out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT**

#### **Recommendation 1**

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: Fit-out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT.

### **Australian Pavilion at the Shanghai World Expo 2010**

#### **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 the Australian Pavilion at the Shanghai World Expo 2010, China.

### **Bridging of Kings Avenue over Parkes Way at the Russell Roundabout**

#### **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: Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, Canberra, ACT.

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

### **Recommendation 4**

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

### **Recommendation 5**

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

## Introduction

- 1.1 Pursuant to Section 17 (1) (b) of 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.
- 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 has resolved 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;

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<sup>1</sup> The Act, Part III, Section 18 (8). Exemptions from this requirement are provided for work of an urgent nature, security sensitive work, repetitive work, and work by prescribed authorities listed in the *Regulations*.

- the clearing of land and the development of land for use as urban land or otherwise; and
- 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.

## Concurrent documentation

1.6 The preparation of contract documentation, including the issuing of tender documents should not be commenced until the Committee has completed its inquiry and reported to Parliament. However, where a project must be completed by a particular time and that deadline cannot be met by other means, agencies may request approval to commence a tender by providing a written justification to the Committee.

1.7 The *PWC Manual of Procedures* provides that, where necessary, applications for concurrent documentation involving the issuing of a tender or preparation of a contract must be provided to the Committee following a public hearing into the proposal.<sup>4</sup>

## Timing of referrals

1.8 The need for agencies to seek concurrent documentation is an indication of the level of planning that has gone into a project and suggests a lack of due consideration for parliamentary scrutiny.

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2 The Act, Section 5.

3 The Act, Section 17.

4 *PWC Manual of Procedures for Departments and Agencies*, Edition 7.2, available at: <http://www.aph.gov.au/house/committee/pwc/index.htm>. Tender documentation should state that the works are subject to Parliamentary approval and contracts should not be signed prior to such approval.

- 1.9 As noted in the fifth report of 2008 tabled in June this year, Parliamentary scrutiny is an important public check on projects and should not be considered a mere bureaucratic hurdle.
- 1.10 Agencies need to factor in an appropriate amount of time for a Parliamentary inquiry, about four months, to ensure that all relevant stakeholders have a reasonable opportunity to provide their views and to enable the Committee to consider the merits of projects without the pressure of project deadlines such as the tendering timeframe of the proponent agency.

### Matters addressed in this report

- 1.11 Works considered in this report were referred to the Committee in the period between March and June 2008 by the Parliamentary Secretary for Defence Support, the Hon Dr Mike Kelly MP.
- 1.12 In considering works, the Committee analysed the evidence presented by the proponent agency, public submissions and evidence received at in-camera and public hearings.
- 1.13 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. Other issues raised through the inquiry process where the Committee was able to satisfy itself that they will be addressed appropriately by the proponent agency, are not reported.
- 1.14 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>5</sup>

### Structure of the report

- 1.15 Chapter 2 addresses the proposed Fit-Out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT. This proposal has an estimated cost of \$66.6 million (excluding GST) and aims to co-locate office accommodation for the Department, consolidate existing leases and provide employees with a modern, efficient work environment which will meet their needs for at least the next 15 years.

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

- 1.16 Chapter 3 addresses the proposed Construction of the Australian Pavilion at the Shanghai World Expo 2010, China. With an estimated cost of \$49.38 million (excluding GST), this proposal aims to promote Australia's interest and strengthen ties with China through participation in the World Expo.
- 1.17 Chapter 4 addresses the proposed Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, Canberra, ACT. This proposal has an estimated cost of \$26.6 million (excluding GST) and aims to provide improved, more reliable and more readily secured transport links between the city, Parliament House and the airport. The project would also redevelop one of Canberra's worst traffic black spots.
- 1.18 Chapter 5 addresses the proposed construction of New Warehousing Facilities at Wadsworth Barracks, East Bandiana, Victoria. At an estimated cost of \$36.369 million (excluding GST) the project aims to provide a modern purpose build facility to enhance operational capability and provide efficient logistical and warehousing support for Defence. The project also aims to reduce Occupational, Health and Safety issues and operational inefficiencies associated with the existing facilities.
- 1.19 Appendix A lists submissions for all inquiries and Appendix B contains a list of witnesses at all public hearings.



## Proposed Fit-Out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT

- 2.1 The proposed fit-out of the new leased premises for the Department of Education, Employment and Workplace Relations (DEEWR) at Block 9, Section 31, Canberra, ACT aims to co-locate office accommodation for the Department, consolidate existing leases and provide employees with a modern, efficient work environment which will meet their needs for at least the next 15 years. The estimated cost of the project is \$66.6million (excluding GST.)
- 2.2 The proposal was referred to the Committee for inquiry on 18 March 2008.

### Conduct of the inquiry

- 2.3 The inquiry was advertised in the *Canberra Times* on 19 April 2008. The Committee received two submissions to the inquiry and one confidential submission detailing the project cost estimates. A list of submissions can be found at Appendix A.
- 2.4 The Committee undertook a site inspection, in-camera hearing and public hearing on 6 June 2008 in Canberra. 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<sup>1</sup>. Plans for the proposed works are detailed in Submission 1, Department of Education, Employment and Workplace Relations.

## Need for works

- 2.6 The purpose of the proposed works is to create efficiencies by the co-location of 2550 of the 4600 Canberra-based staff who are currently housed in 21 different locations. These buildings range in quality and design, many of which no longer meet energy and security requirements.<sup>2</sup>
- 2.7 In late 2005, the then Department of Education, Science and Training (DEST) developed plans to accommodate all their national office staff in one building and called for expressions of interest for the project. The proposed new development on the site at Block 9, Section 31, City was selected and an Agreement to Design, Construct and Option to Lease (ADCOL) signed by the Department in October 2007. In November 2007 DEST was amalgamated with the Department of Employment and Workplace Relations (DEWR) which almost doubled the department's staffing level.<sup>3</sup>
- 2.8 The Committee notes that the new building will only accommodate approximately half of DEEWR's Canberra based staff. The Committee appreciates that changes to the structure of the Department brought about by machinery of government changes since original planning of the project began have resulted in a considerable increase in staff numbers.
- 2.9 DEEWR indicated to the Committee that it intends to manage its continuing lease arrangements and its new building by rationalising and consolidating the existing lease portfolio as leases expire, reorganising staff location to promote more efficient and effective working arrangements for business groups and teams.<sup>4</sup>

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

2 Submission 1, DEEWR, p. 3 & p. 6.

3 Submission 1, DEEWR, p. 3

4 Submission 1, DEEWR, p. 5.

Mr Burmester, DEEWR, Proof Transcript of Evidence, 6 June 2008, p. 3.

## Scope of works

2.10 The proposed scope of works is detailed in Submission 1, Department of Education, Employment and Workplace Relations.<sup>5</sup> In short, the works propose the following:

- allocated office space for SES and EL2 officers;
- open plan office accommodation for EL1 and APS Level officers;
- flexible, modular office design and demountable partitions;
- breakout areas and kitchens;
- meeting rooms;
- theatrette on ground floor;
- mail room, equipment, storage and resource areas;
- separately air conditioned communications equipment rooms;
- carers' and first aid rooms;
- showers, lockers and bicycle storage;
- basement parking spaces;
- staff gymnasium on level 12;
- standard workstations and personal storage units; and
- loose furniture.<sup>6</sup>

2.11 The Department of the Environment, Water, Heritage and the Arts reviewed the proposal and additional information provided by DEEWR to assess the compliance with the Energy Efficiency in Government Operations (EEGO) policy. The Department advised the Committee that 'there is sufficient intent to comply with the relevant provisions of the EEGO policy.'<sup>7</sup>

2.12 The Committee has assessed the scope of works and finds them suitable to provide the facilities necessary to meet the needs of the proposed co-location of DEEWR office accommodation.

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

6 Submission 1, DEEWR, p. 10.

7 Submission 2, DEWHA, p. 2.

## Cost of works

- 2.13 The total out-turn cost of this work is estimated to be \$66.6 million (excluding GST) which includes contingency, project management, design and documentation and escalation to 2010.<sup>8</sup>
- 2.14 The Committee received detailed cost plans for the project and held an in-camera hearing with DEEWR on the full project costs.
- 2.15 The Committee was satisfied that the costs were appropriate.

## Integrated fitout

- 2.16 The proposal includes an integrated fit-out that would provide an estimated saving of approximately nine months in dead rent as the fit-out will be completed simultaneously with the base building.<sup>9</sup> As Mr William Burmester, Deputy Secretary, Department of Education, Employment and Workplace Relations, explained:

Integrating the fit-out means designing the fit-out and building the base building requirements around the known, final deployment of those services. It means that you can take the base building provision and extend it to the very points that you want those services delivered to at the time that you are building the base building. If you do not do that, the only alternative is to retrofit it. Once the building is finished, you then have to design your fit-out and adjust everything that the base building has been provided with to the design that you want. ... by getting the design specified and agreed beforehand, the base builder can actually incorporate all that work in one pass of the building, so it will be cheaper overall than subsequent retrofitting.<sup>10</sup>

- 2.17 The project was referred in March 2008 with the fitout commencing concurrently with the base building construction scheduled to commence in March 2008. At the public hearing the Department provided a new schedule of work with a revised commencement date of 22 September 2008.
- 2.18 The Committee notes that the Department is committed to a long lease and there would be significant costs to the Commonwealth should the Committee not approve the fitout.
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8 Submission 1, DEEWR, p. 21.

9 Mr Burmester, DEEWR, Proof Transcript of Evidence, 6 June 2008, p. 2.

10 Mr Burmester, DEEWR, Proof Transcript of Evidence, 6 June 2008, p. 4.

## Committee comment

- 2.19 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost.
- 2.20 No submissions were received raising issues with the proposed fitout. The Committee is satisfied that there are no significant reasons to object to the proposed work proceeding.
- 2.21 However, the Committee is concerned that the very late stage of referral of this work meaning that the scope of parliamentary scrutiny is limited.
- 2.22 Nevertheless, 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 1

**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: Fit-out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT.**



## Australian Pavilion at the Shanghai World Expo 2010

- 3.1 The proposed Australian Pavilion at the Shanghai World Expo 2010 aims to provide the platform to promote Australia's interests and strengthen ties with China through participation in the World Expo. The estimated cost of the project is \$49.38 million (excluding GST).
- 3.2 The proposal was referred to the Committee for inquiry on 25 June 2008.

### Conduct of the inquiry

- 3.3 The inquiry was advertised in the *Canberra Times* 19 April 2008 and in *The Australian* on 23 July 2008. The Committee received two submissions to the inquiry and one confidential submission detailing the project cost estimates. A list of submissions can be found at Appendix A.
- 3.4 The Committee undertook an in-camera hearing and public hearing on 6 August 2008 in Canberra. A list of witnesses can be found at Appendix B.
- 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, Department of Foreign Affairs and Trade (DFAT).

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

## Background

- 3.6 The concept of a world exhibition to promote commercial, economic and cultural interchange began in 1851 with the Crystal Palace exhibition in London. Since then world expos have been held regularly providing an ability to 'connect people directly, enabling visitors to experience at firsthand a range of cultures in a concentrated, dynamic and stimulating environment.'<sup>2</sup> Hosting a World Expo is recognised as 'an opportunity over a sustained period to showcase the host nation ..., to stimulate economic growth ... and to strengthen political, cultural and economic relationships with participating countries.'<sup>3</sup>
- 3.7 Australia has had a long history of involvement in world expos and has hosted two; in Melbourne in 1880 and Brisbane in 1988. As China is currently Australia's largest trading partner, the Australian Government 'is actively engaging in this opportunity to consolidate and expand existing political, commercial and people-to-people links between' the two countries.<sup>4</sup>
- 3.8 The Committee was interested in the lessons learnt from Australia's long experience participating in world expos. Mr Sams, Pavilion Director, identified three practical aspects: the need to provide a stage and performance venue within the Australian pavilion to maintain Australian branding for cultural performances, the importance of bilingual Australians staffing the pavilion and the capacity to host bilateral business programs with a 'multipurpose venue supported by a proper commercial kitchen with proper commercial chefs producing good quality Australian food.'<sup>5</sup>

## Need for works

- 3.9 The Australian Pavilion at the Shanghai World Expo 2010 in China aims to assist Australian business and provide an opportunity to raise Australia's profile in a strategic market. Australia's presence at the Expo is designed to be commensurate with our economic and strategic interests in China. These bilateral interests are broad, substantial, multifaceted and evolving. They are based on strong

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2 Mr Tesch, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 2.

3 Mr Tesch, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 2.

4 Mr Tesch, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 2.

5 Mr Sams, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 6.



economic complementarities and are vital to Australia's economic future.<sup>6</sup>

3.10 China is Australia's largest trading partner, with two-way trade reaching some \$50 billion in 2006. It is our second largest export market, our largest merchandise trading partner, our largest source of overseas students, our second largest buyer of resources and energy commodities, an increasingly important investor in Australia, a fast-growing tourism market and an attractive financial services market.<sup>7</sup>

3.11 The Australian Government has three broad objectives for participation in the Shanghai World Expo 2010:

- to boost trade and investment with China by using the pavilion as a platform for targeted promotional events on site and as part of wider in-country programs;
- to project a modern image of contemporary Australia as a country which is culturally diverse and harmonious and which possesses great strengths in the creative arts, education, training and research; and
- to strengthen bilateral ties by reinforcing existing links and cultivating new areas of cooperation and exchange in a range of fields.<sup>8</sup>

3.12 The Shanghai Expo Commissioner General for Australia, Mr Peter Tesch, described the proposed pavilion as a:

visually striking structure which will feature innovative exhibitions, high-quality retail, food and beverage outlets and dynamic and entertaining cultural performances and displays. Staffed by friendly, bilingual Australians and aided by a focused and effective communications and public affairs program, the pavilion will showcase modern Australia to the seven million people we expect to visit the pavilion over the six months of the expo.<sup>9</sup>

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6 Submission 1, DFAT, p. 3.

7 Submission 1, DFAT, p. 3-4.

8 Mr Tesch, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 3.

9 Mr Tesch, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 3.

## Scope of works

- 3.13 The proposed scope of works is detailed in Submission 1, Department of Foreign Affairs and Trade.<sup>10</sup> In short, the works propose the following:
- Construction of a new temporary 3178 sqm pavilion with appropriate public exhibition areas and capacity to host the VIP, business and cultural programs that make up the Australian participation at the expo;
  - Extensive onsite exhibition engineering to enable the operating structure and electronics required to support complex displays;
  - Items in the fit-out scope include all tenancy related security hardware. Fixed work-stations, fixed partitions and doors, window treatments and floor coverings are also included as are all exhibition components;
  - Loose furniture such as tables, chairs, desks, filing cabinets and general office equipment such as photocopiers, computers and printers are included in the scope of the work.<sup>11</sup>
- 3.14 The Committee noted that 'the site is flat and located adjacent to the Huangpu river, which is subject to flooding.'<sup>12</sup> Extensive earthworks have been constructed by the expo bureau to mitigate the risk and will also provide pumping capacity. In addition the Australian pavilion will have extensive civil works and drainage onsite.<sup>13</sup>
- 3.15 The Department of the Environment, Water, Heritage and the Arts reviewed the proposal for compliance with the Energy Efficiency in Government Operations (EEGO) policy and advised the Committee that there is no requirement for these works to comply.<sup>14</sup>
- 3.16 The Committee has assessed the scope of the works and finds them suitable to provide the platform to enable DFAT to meet their objectives for participation in World Expo 2010 in China.

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

11 Submission 1, DFAT, p. 13.

12 Submission 1, DFAT, p. 7.

13 Mr Sams, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 4.

14 Submission 2, DEWHA, p. 1.

## Cost of works

- 3.17 The total out-turn cost of this work is scheduled to be \$49.38 million (excluding GST) which includes construction and other related elements such as consultants' fees, project management, supervision, exhibition, furniture, artworks, white goods and site office expenses.<sup>15</sup>
- 3.18 The pavilion will be decommissioned and removed at the end of the Expo. DFAT submitted that the sale of the pavilion and its contents will 'partially offset the cost of decommissioning and removal'.<sup>16</sup>
- 3.19 The Committee notes that the pavilion is to be completed to lock up stage by mid-September 2009 to allow for completion and occupation by March 2010.<sup>17</sup> This will provide time to ensure all systems are working smoothly before the Expo opens in May 2010.<sup>18</sup>
- 3.20 The Committee queried the proportion of Australian industry involvement in the construction of the project. Mr Sams, Pavilion Director, indicated that the exact mix will not be known until the tendering process is complete but the expectation is that there 'will be approximately a 40-60 split - 40 in China and 60 in Australia.'<sup>19</sup>
- 3.21 The Committee received detailed cost plans for the project and held an in-camera hearing with DFAT on the full project costs. The Committee was satisfied that the costs were appropriate.

## Committee comment

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

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15 Submission 1, DFAT, p. 22.

16 Submission 1, DFAT, p. 8.

17 Submission 1, DFAT, p. 22.

18 Mr Tesch, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 5.

19 Mr Sams, DFAT, Proof Transcript of Evidence, 6 August 2008, p. 4.

**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 the Australian Pavilion at the Shanghai World Expo 2010, China.**

## Bridging of Kings Avenue over Parkes Way at the Russell Roundabout

- 4.1 The bridging of Kings Avenue over Parkes Way at the Russell Roundabout in Canberra as proposed by the National Capital Authority (NCA) is designed to provide improved, more reliable and more readily secured transport links between the city, Parliament House and the airport. The project would also redevelop one of the worst traffic black spots in Canberra. The estimated cost of the project is \$26.6million (excluding GST.)
- 4.2 The proposal was referred to the Committee on 18 March 2008.

### Conduct of the inquiry

- 4.3 The inquiry was advertised in the *Canberra Times* on 19 April 2008 and in *The Australian* on 9 July and 23 July 2008. The Committee received seven main submissions to the inquiry, a number of supplementary submissions, mainly from the NCA, and one exhibit. A list of these can be found at Appendix A.
- 4.4 The Committee undertook an in-camera hearing and public hearing on 6 August 2008 in Canberra. A list of witnesses can be found at Appendix B.
- 4.5 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, NCA.

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

## Need for works

- 4.6 The bridging of Kings Avenue over Parkes Way at the Russell roundabout is one of two key infrastructure projects proposed to meet the transport and access needs of committed Commonwealth Government building projects located along Constitution Avenue and future developments in the Russell Defence precinct.<sup>2</sup>
- 4.7 The Russell roundabout is currently operating at performance capacity and has the highest number of accidents of any intersection in the ACT. There are over 70,000 traffic movements through the intersection per weekday, of which over 6,700 occur in the morning peak hour between 8:00am and 9:00am. In the five year period between 2001 and 2005 the intersection was the site of 475 accidents.<sup>3</sup>
- 4.8 Failure to undertake the project will stop the timely development of essential infrastructure resulting in unacceptable traffic congestion compromising access and safety at the roundabout and will inhibit access throughout the central national areas.<sup>4</sup>
- 4.9 This project alone will not address all of the traffic congestion that will result from the Commonwealth's current commitments to office projects on Constitution Avenue. Duplication of Constitution Avenue will be required if severe congestion is to be avoided (particularly on the Avenue and on Parkes Way at their intersections with Anzac Parade) when these buildings are occupied. The NCA and Department of Defence have developed a Master Plan for future building development opportunities in the Russell precinct. Should the Department of Defence advance these building development options then additional road works and car parking will be required.<sup>5</sup>
- 4.10 A number of concerns about the need for the work were raised in submissions and during the public hearing. These concerns are addressed in further detail below.

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2 Submission 1, NCA, p. 10.

3 Submission 1.3, NCA, p. 5.

4 Submission 1, NCA, p. 10.

5 Submission 1, NCA, p. 10.

## Scope of works

- 4.11 The proposed scope of works is detailed in Submission 1, NCA.<sup>6</sup> In short, the works propose the following:
- Parkes Way will be lowered and a new bridge will carry Kings Avenue traffic at its existing level over Parkes Way through to the Russell Defence precinct;
  - The new intersection where Kings Avenue passes over Parkes Way will allow traffic movements in all directions and provide safe pedestrian access from the Russell Defence precinct to Kings Park and the shores of Lake Burley Griffin.<sup>7</sup>

## Cost of works

- 4.12 The total out-turn cost of this work is scheduled to be \$26.6 million (excluding GST) which includes construction costs, escalation, contingencies, professional fees and authority charges.<sup>8</sup>
- 4.13 In the public hearing, the NCA referred to savings arising from the proposal due to its impact in reducing accidents, carbon emissions, travel time and reduced vehicle-operating costs. The Chief Executive of the NCA stated that:
- the cumulative benefit of these savings will exceed the capital investment by the government within five years of construction.<sup>9</sup>
- 4.14 The Committee received detailed cost plans for the project and held an in-camera hearing with the NCA on the full project costs.
- 4.15 The Committee was satisfied that the costs were appropriate.

## Options considered

- 4.16 The NCA considered four options in developing the current proposal:
- a 'do nothing' approach;

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

7 Submission 1, NCA, p. 11.

8 Submission 1, NCA, p. 19.

9 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 3.

- a single-point urban interchange (SPUI) or one bridge allowing for concurrent right hand turns;
- a twin bridge, tight diamond interchange enabling single right hand turns on the upper level;<sup>10</sup> and
- a four-way at-grade intersection.<sup>11</sup>

4.17 The Committee was shown three visual traffic simulation presentations to analyse how each option compared in terms of intersection performance alone and intersection performance in relation to the traffic network. That analysis demonstrated that the most satisfactory option was the single-point urban interchange.<sup>12</sup>

4.18 The table below indicates the performance of each model based on an anticipated future building development increase of 520,000 square metres in the centre of Canberra, Russell, Constitutional Avenue, Barton and the Airport Precincts.

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10 This was the preferred option of Submission 4, Mr Erett, p. 1.

11 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 3. Submission 1, NCA noted that two options were considered.

12 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 3.



Table 4.2 Key performance indicators and the four intersection models<sup>13</sup>

Key Performance Indicators	Existing Roundabout ("Do Nothing")	4-Way At Grade (4 Phase)	Twin Bridge (4 Phase)	Single Point Bridge (SPUI) (3 Phase)
<b>TRAFFIC PERFORMANCE</b> (AM Peak Hour)				
<b>Average Delay</b>				
• Seconds	190	270	141	48
• % Improvement	0 %	- 42 %	26 %	75 %
• Magnitude of Improvement	0	-1.4 times	1.3 times	4.0 times
<b>Queue Length</b> metres	2,000	1,820	1,160	570
<b>Average Speed</b> km/hr	12	8	14	30
<b>BUSINESS CASE</b> (Annual Reductions & Savings)				
<b>CO<sub>2</sub> Emissions</b>				
• Reduction (kilograms)	0	- 445,000	295,000	705,000
• Cost Savings (\$ million)	\$0	-\$0.009 m	\$0.006 m	\$0.014 m
<b>Safety</b>				
• Reduction (Number of accidents)	0	58	73	73
• Reduction (%)	0%	51%	65%	65%
• Cost Savings (\$ million)	\$0	\$0.52 m	\$0.70 m	\$0.70 m
<b>Travel Time</b>				
• Reduction (Vehicle-hours)		- 110,000	30,000	130,000
• Cost Savings (\$ million)	\$0	-\$2.00 m	\$0.49 m	\$2.30 m
<b>Operating Costs</b> (incl. Fuel Consumption)				
• Cost Savings (\$ million)	\$0	-\$3.30 m	\$0.98 m	\$3.95
<b>Total Cost Savings</b> (\$ million)		-\$4.79 m	\$2.18 m	\$6.96 m

4.19 The Committee heard that during the implementation phase of the proposal traffic speed would be reduced to 40 kilometres per hour. Civil engineering works would be undertaken to relocate communications and gas services where needed, before the road works commence.<sup>14</sup>

4.20 Subject to parliamentary approval, the bridge would be constructed within the parameter of the existing roundabout. It is expected that the construction period will be 18 months.<sup>15</sup>

13 Submission 1.3, NCA, p. 5.

14 Mr Waite, NCA, Proof Transcript of Evidence, 6 August 2008, pp. 5-6.

15 Mr Smith, NCA, Proof Transcript of Evidence, 6 August 2008, p. 5.

## Issues and concerns raised

- 4.21 The Committee received a case against the proposal by the Walter Burley Griffin Society (WBGs) Incorporated. Their objections to the proposal are outlined below.

## Supporting evidence for the single bridge option

- 4.22 The WBGs claimed that there was insufficient evidence on the public record to make a judgement on the merits of the proposal, noting that:

There is no technical appendix, no data and no figures whatsoever for any independent critical analysis of the type of engineering studies that have been put on the table today.<sup>16</sup>

- 4.23 The NCA statement of evidence referred to a total of 24 consultant and government reports supporting the preferred single point bridge option. While the Committee did not consider that it needed to call for all documents, the NCA case for the proposal would have been strengthened had the further evidence provided to the Committee at the public hearing and in the eight supplementary submissions, been provided in the original submission.

## Public consultation on the proposal

- 4.24 The NCA consulted widely with government and industry about the proposal. The NCA also consulted the public about the broad framework to complete Walter Burley Griffin's plans for the national capital, known as the *Griffin Legacy* project, of which this proposal is part. Further consultation on the *Griffin Legacy* was held as part of an inquiry by the Commonwealth Joint Standing Committee on the National Capital and External Territories.<sup>17</sup> However, neither of these exercises appeared to have specifically involved public consultation by the NCA on the bridging project itself.
- 4.25 During the public hearing the NCA referred to the public consultation on the *Griffin Legacy* amendments and also noted that the PWC 'hearing constitutes much of that [public] discussion' on the proposal.<sup>18</sup>

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16 Professor Weirick, WBGs, Proof Transcript of Evidence, 6 August 2008, p. 16.

17 Submission 1, NCA, p. 7.

18 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 7.

- 4.26 The Committee promoted the inquiry into the bridging of Kings Avenue on its website and in the print media however, no further submissions on the proposal were received from the public that supported the plan. In fact, all three non-government submissions to the Committee opposed the proposal.
- 4.27 The Committee's inquiry process is not a substitute for adequate public consultation by a proponent agency. Rather, the Committee should be provided with the outcome of specific public consultation measures relating to the particular proposal in the statement of evidence. Submissions to the Committee from the public should supplement that original consultation rather than be a form of consultation in itself.
- 4.28 The Committee is not convinced that the public were adequately consulted on this specific proposal prior to referral. It is difficult to determine the level of public support or even awareness of the proposal.

### Only a partial solution

- 4.29 The NCA acknowledges that the proposed bridging of Kings Avenue will not in itself address all of the future traffic problems in the area. Further works required include the duplication of nearby Constitution Avenue, and works on Constitution Avenue at its intersections with Coranderrk Street and Anzac Parade.<sup>19</sup>
- 4.30 Roads ACT indicated the support of the ACT Government for the proposal and noted that additional major works would be required on the Monaro Highway.<sup>20</sup> The Committee also heard that the Menindee Drive roundabout could also become a traffic problem.<sup>21</sup>
- 4.31 WBGs rightly pointed out that the cost of the associated infrastructure, likely to require Commonwealth funding, is not clear.<sup>22</sup>
- 4.32 WBGs also claimed that much of the increase in traffic would be caused by inappropriate development along Constitution Avenue, at the airport and in the centre of Canberra.<sup>23</sup>

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19 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 8.

20 Mr Gill, Roads ACT, Proof Transcript of Evidence, 6 August 2008, p. 8.

21 Mr Gill, Roads ACT, Proof Transcript of Evidence, 6 August 2008, p. 12.

22 Professor Weirick, WBGs, Proof Transcript of Evidence, 6 August 2008, p. 18.

23 Professor Weirick, WBGs, Proof Transcript of Evidence, 6 August 2008, p. 17.

- 4.33 In relation to consolidation of development at the centre of Canberra and the airport, the NCA pointed out that from a sustainable development point of view, such consolidation was preferable to urban sprawl:

The fact is that urban consolidation is considered to be a good thing from a sustainability aspect not only in Australia but throughout the world, that the airport has been divested and that the nature of airports has changed throughout Australia...<sup>24</sup>

- 4.34 One aspect that all sides of the debate agreed on was the need for further works on Constitution Avenue.<sup>25</sup> The 2007/08 Federal Budget allocated funding for the duplication of Constitution Avenue although the funding was withdrawn in February 2008. The recent report by the Joint Standing Committee on the National Capital and External Territories strongly encouraged the reinstatement of that funding.<sup>26</sup> While the Committee notes the likely need for works on Constitution Avenue, the issue is beyond the terms of its inquiry into the bridging of Kings Avenue.

### Consistency with the intentions of Walter Burley Griffin

- 4.35 The proposal forms part of the NCA's *Griffin Legacy* project.<sup>27</sup> However, it was put to the Committee that the project had 'nothing to do with Walter Burley Griffin' and that a more appropriate description for the project would be the 'central national area redevelopment scheme'.<sup>28</sup> The WBSG submitted to the Committee that:

Planning and design of this area in accordance with Griffin's principles would see removal of Parkes Way; expansion of Commonwealth and King's Parks to the north; construction of major cultural institutions on the park side of Constitution Avenue; conservation of Canberra Olympic Pool; and construction of light rail along the tree-lined medians of

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24 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 26.

25 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 7; Professor Weirick, WBSG, Proof Transcript of Evidence, 6 August 2008, p. 14.

26 JSCNCET, *The Way Forward, Inquiry into the role of the National Capital Authority*, July 2008, p. 47

27 Submission 1, NCA, pp. 3-8.

28 Professor Weirick, WBSG, Proof Transcript of Evidence, 6 August 2008, p. 15.

Kings Avenue and Constitution Avenue as part of a comprehensive, city - wide system.<sup>29</sup>

- 4.36 However, according to the heritage consultant for the NCA the proposal does reinforce the original Griffin principles:

what is proposed reinforces what the original Griffin principle proposed in terms of the dominance of Kings Avenue and what the [National Capital Development Commission] proposed in terms of a separated grade to reinforce that dominance. In that context it actually produces positive benefits, whereas, at the moment, although the current roundabout is part of a wider NCDC program, it actually dissipates the impact of the axis.<sup>30</sup>

- 4.37 A related concern expressed to the Committee was the likely adverse impact of the proposal on landscape harmony and vistas. The Canberra Chapter of the WBGs told the Committee:

In Canberra we have a work of art in this sense. It is finely balanced and still has potential. But this particular structure would seem already to disturb the shape of that side of the triangle. It clearly changes vistas.<sup>31</sup>

- 4.38 The WBGs emphasised the modernist aesthetics of the landscape:

This is a great modernist landscape of the NCDC. It was compromised by the removal of those original buildings and what has been built instead but, still, this is all of a piece – the roads, the roundabouts, the bridges, the lake and the Carillon; it all has the aesthetics of the mid-20<sup>th</sup> century.<sup>32</sup>

- 4.39 However, the WBGs went on to argue that the definition of the vista used by the NCA was inadequate:

... the so-called Parliament House vista ... does not include what you see from Parliament House. It is an arbitrarily constructed line which cuts out Kings Avenue itself and cuts out the Australian American memorial – that is not in the Parliament House vista – and the Defence headquarters and the backdrop of Mount Pleasant.<sup>33</sup>

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29 Submission 6, WBGs, p. 15.

30 Ms Hill, NCA, Proof Transcript of Evidence, 6 August 2008, p. 28.

31 Mr Odgers, WBGs, Proof Transcript of Evidence, 6 August 2008, p. 13.

32 Professor Weirick, WBGs, Proof Transcript of Evidence, 6 August 2008, p. 20.

33 Professor Weirick, WBGs, Proof Transcript of Evidence, 6 August 2008, p. 20.

- 4.40 The NCA statement of evidence argued that the proposed works would have no adverse impacts on the vistas.<sup>34</sup> The NCA further advised the Committee that a referral under the *Environment Protection and Biodiversity Conservation Act 1999* would be made to assess any potential impact of the proposal on the vistas.<sup>35</sup>

### Alternative proposal

- 4.41 As an alternative to the proposed bridge, the WBGS proposed that a better response to the current situation would be to calm the traffic system down:

The current confused combination of freeway/motorway/arterial conditions from Civic to the Airport needs to be re - designed as an integrated spatial sequence and calmed to the consistent conditions of an urban boulevard similar to Anzac Parade, Moore Park in Sydney or the great avenues of Melbourne: Royal Parade, Victoria Parade, St Kilda Road.<sup>36</sup>

- 4.42 The NCA indicated, however, that it believed that the calming of traffic would not be a viable option into the future and that without the proposed works, traffic movement would 'drop dead'.<sup>37</sup>

### Committee comment

- 4.43 The National Capital Authority proposal to bridge Kings Avenue over Parkes Way should have been better prepared and substantiated. The additional information provided by the NCA at the public hearing and in supplementary submissions should have been provided in the original statement of evidence to the Committee. Furthermore, the Committee is concerned that the NCA did not adequately consult the ACT community on the specific proposal. The Committee will closely scrutinise any future proposed public works by the NCA to establish the extent of public consultation.
- 4.44 Criticisms of the NCA proposal were raised in submissions and in the public hearing. The Committee suspects that many of those arguments stem from the different philosophical outlook of the
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34 Submission1, NCA, p. 12.

35 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 2.

36 Submission 6, WBGS, p. 26.

37 Ms Pegrum, NCA, Proof Transcript of Evidence, 6 August 2008, p. 27.

main parties. On one side, the Walter Burley Griffin Society interested in maintaining a version of the Griffin's original intentions and the broad planning directions of Canberra, and on the other side, the NCA focused on solving a traffic problem in a practical cost effective manner.

- 4.45 However, the Committee's concerns about the proposal were addressed by the supplementary submissions provided by the NCA following the public hearing.
- 4.46 On balance and despite its concerns about the lack of public consultation and the quality of the original statement of evidence, the Committee has assessed the scope of the works and finds the proposal suitable to provide an improved, safe and efficient intersection. The Committee is accordingly satisfied that this project has merit in terms of need, scope and cost and 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: Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, Canberra, ACT.**





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

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

### Conduct of the inquiry

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

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

## Need for works

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

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

2 Submission 1, Defence, p. 2.

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

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

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

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

## Scope of works

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

At East Bandiana:

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

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3 Submission 1, Defence, p. 2.

4 Submission 1, Defence, p. 2.

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

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

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

At North Bandiana:

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

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

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

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

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

## Cost of works

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

## Project issues

### Community issues

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

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8 Submission 2, DEWHA.

9 Submission 1.2, Defence.

10 Submission 1, Defence, p. 21.

11 Submission 1.3, Defence, p. 1.

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

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

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

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

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

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

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

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

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

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

19 Exhibit No. 1.

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

their concerns about the development are adequately addressed by Defence.

#### **Recommendation 4**

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

#### **Committee comment**

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

#### **Recommendation 5**

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

Mark Butler MP

Chair

August 2008







## Appendix A – List of submissions

### **Fit-out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT**

- 1 Department of Education, Employment and Workplace Relations
  - 1.1 Department of Education, Employment and Workplace Relations (supplementary)
  - 1.2 Confidential
- 2 Department of the Environment, Water, Heritage and the Arts

### **Australian Pavilion at the Shanghai World Expo 2010**

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

#### Exhibits:

- 1 His Excellency Zhang Junsau, Chinese Ambassador to Australia
- 2 His Excellency Zhang Junsau, Chinese Ambassador to Australia

## **Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, ACT**

- 1 National Capital Authority
  - 1.1 Confidential
  - 1.2 National Capital Authority (supplementary)
  - 1.3 National Capital Authority (supplementary)
  - 1.4 Confidential
  - 1.5 Confidential
  - 1.6 Confidential
  - 1.7 National Capital Authority (supplementary)
  - 1.8 Confidential
- 2 ACTEWAGL
- 3 Department of the Environment, Water, Heritage and the Arts
- 4 Mr Erett
- 5 Walter Burley Griffin Society Incorporated (Canberra Chapter)
- 6 Walter Burley Griffin Society Incorporated
  - 6.1 Walter Burley Griffin Society Incorporated (supplementary)
- 7 ACT Government

### Exhibits:

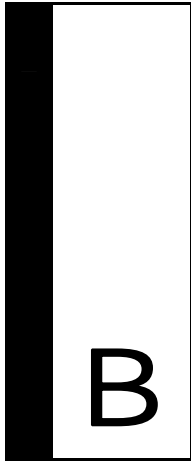
- 1 National Capital Authority

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

- 1 Department of Defence
  - 1.1 Department of Defence (supplementary)
  - 1.2 Department of Defence (supplementary)
  - 1.3 Confidential
  - 1.4 Department of Defence (supplementary)

- 1.5 Department of Defence (supplementary)
  - 2 Department of the Environment, Water, Heritage, and the Arts
- Exhibits
- 1 Department of Defence





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

### **Fit-out of New Leased Premises for the Department of Education, Employment and Workplace Relations at Block 9, Section 31, Canberra, ACT**

Friday 6 June 2008 – Canberra

#### Site inspection

Canberra City, cnr Rudd, Marcus Clarke and Alinga Streets  
DEEWR building, Mort Street, Braddon

#### In-camera hearing

Four witnesses

#### Public hearing

#### Department of Education, Employment and Workplace Relations

Mr Bill Burmester, Deputy Secretary, DEEWR

Mr Craig Storen, Chief Finance Officer, DEEWR

Mr Mark Cuthbert, Project Director, DEEWR

Mr Paul Wilkin, Project Consultant, Xact Project Consultants

## **Australian Pavilion at the Shanghai World Expo 2010**

Wednesday, 6 August 2008 - Canberra

In-camera hearing

Two witnesses

Public hearing

Department of Foreign Affairs and Trade

Mr Peter Tesch, Commissioner-General for Australia, Executive Director,  
Shanghai World Expo 2010

Mr Peter Sams, Pavilion Director, Shanghai World Expo 2010

## **Bridging of Kings Avenue over Parkes Way at the Russell Roundabout, ACT**

Wednesday, 6 August 2008 – Canberra

Site Inspection

Russell Roundabout, Canberra, ACT

In-camera hearing

Seven witnesses

Public hearing

National Capital Authority

Ms Annabelle Nicole Pegrum, Chief Executive, NCA

Mr Andrew Douglas Smith, Acting Managing Director – Projects, NCA

Mr Philip Anthony Waite, Director-Construction & Procurement, NCA

Mr Mark Henry de Jager, Director & Cost Planner, WT Partnership  
(consultant to NCA)

Dr Khaled Abbas Sayed, Principal Transport Planner, SMEC Australia  
(consultant to NCA)

Mr Adrian Duncan Pilton, Consultant Technical Team Director & Architect,  
Johnson Pilton Walker Pty Ltd (consultant to NCA)

Ms Jennifer Hill, Heritage Specialist, Architectural Projects Pty Ltd  
(consultant to NCA)

Mr Lindsay Kristian Jacobsen, SMEC (consultant to NCA)

#### ACT Government

Mr Tony Gill, Director, Roads ACT

#### Walter Burley Griffin Society Incorporated

Mr Brett Odgers, Chair, Walter Burley Griffin Society Incorporated  
(Canberra Chapter)

Professor James Weirick, President, Walter Burley Griffin Society  
Incorporated

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

Thursday, 7 August 2008 - Wodonga

#### Site Inspection

Gaza Ridge Barracks (North Bandiana)

Wadsworth Barracks (East Bandiana)

#### In-camera hearing

Seven witnesses

#### Public hearing

#### Department of Defence

Brig William Grice, Director General, Infrastructure Asset Development

Mrs Jacqueline Bestek, Project Director, Infrastructure Asset Development

Mr Michael James Ross, Senior Project Manager, Arup Pty Ltd

Colonel Simon John Tuckerman, Commander, Wadsworth Barracks,  
Bandiana, Vic

Mr Wayne Cleggett, Regional Estate Development Manager, Defence Support - Riverina Murray Valley

Mr Warwick David Tempany, Design Consultant (Director), GHD Pty Ltd

Mr Rick Zentelis, Director, Heritage and Biodiversity, Estate Planning, Infrastructure Division

**Community statement session**

Two participants