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PART TWO

RATIONALISATION OF SYDNEY TRAINING INFRASTRUCTURE

82. This part of the review examines the implications of closing one or more of the Navy's training bases in Sydney. Consideration is given to closing ^{s22} [REDACTED], ^{s22} [REDACTED], WATSON or ^{s22} [REDACTED].

83. In doing so, one of the key factors was the capacity for other sites to absorb the functions that would be relocated from any base considered for closure. Other considerations revolved around the necessity of the functions currently conducted at the Sydney bases to be provided close to the fleet, and in many cases the need for ready access to the waterfront for operational or training purposes.

84. Navy's Sydney training infrastructure forms an integral part of naval activity centred in the Sydney ^{s22} [REDACTED] area. The system comprehends a web of interrelated functions and activities which include operational bases, administration, logistic support, maintenance facilities, exercise areas, training establishments and weapons and other ranges. ^{s22} [REDACTED]

^{s22} [REDACTED] The concentration of naval infrastructure in the Sydney ^{s22} [REDACTED] area enables considerable economy of effort. ^{s22} [REDACTED]

^{s22} [REDACTED]

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HMAS WATSON

110. WATSON is Navy's principal warfare and navigation training establishment. The base hosts the following functions:

- Training Authority Maritime Warfare,
- Principal Warfare Officer Faculty,
- Combat Systems Faculty,
- Navigation and Maritime Trade Faculty,
- Tactical training Faculty,
- CO/XO Designate Faculty, and
- Bridge Training Faculty.

111. WATSON also provides administrative, technical and logistic support for its internal functions. A small sickbay provides limited out-patient services.

112. WATSON occupies some 14.6 hectares of land and comprises some 64 buildings mostly in reasonable condition. The majority of facilities have been constructed from the 1980s. WATSON is surrounded by National Park to the north, south-east and west, and by residential development in the south. Proximity to the Sydney Harbour Foreshores National Park and being a highly visible location on South Head limits expansion and imposes constraints on building design and height.

113. The bases permanent workforce totals some 532 personnel, of which 420 are ADF personnel, 36 APS and 76 contractor staff.

114. LIA is provided within WATSON as follows: 121 officers, 36 senior sailors, 182 junior sailors. The most recent accommodation upgrade in 1994-1997 did not take account of increased requirements for accommodation, so there is inadequate capacity to meet current training demands on the establishment. There is also a lack of

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availability of appropriate Married Quarters/Temporary Rental Accommodation (TRA) proximate to the establishment.

115. WATSON is situated in an affluent area of Sydney with high property values. This coupled with the limited accommodation and married quarters proximate to the base necessitates the majority of married personnel living some distance from the base with consequent travel time and cost penalties. In particular, many junior sailors occupy DHA housing in Defence Estates in the outer western suburbs of Sydney.

116. There are no environmental issues, which have potential to impact upon WATSON's activities or continued functioning in the short term, however, there could be opposition to any major redevelopment.

117. A number of WATSON's facilities (Married Quarters, Motor Transport Compound and gun emplacements) date to 1870, and are classified by the National Trust and registered in the National Estate, with attendant restrictions on development and maintenance obligations. The foreshore comprises part of the Sydney Harbour Landscape Conservation Area and is listed by the National Trust. In addition, the RAN Memorial Chapel, whilst not a heritage listed building, represents important spiritual values, not necessarily confined to Navy. Overall, the heritage significance of the establishment is not an impediment to further development, but could potentially compromise disposal and redevelopment.

118. The functions performed at WATSON could be performed elsewhere in the Sydney area. There are economies in warfare related training, especially Command Team Training, being conducted close to Major Fleet Units based at FBE, and Maritime Headquarters being proximate for support of doctrine development and wargaming activities. Similarly, navigation training needs to be delivered at a site, which has ready waterfront access and overlooks a natural horizon for celestial navigation training.

119. If it were decided to close WATSON in the medium term, warfare related training would be most appropriately relocated to KUTTABUL/FBE, while navigation training might relocate to PENGUIN. Such moves could be timed to coincide with the major refurbishment or replacement of major systems that reside within the schools at WATSON, eg. the Bridge Trainer and Command Team Training systems etc.

120. At present the preferred site for the Air Warfare Destroyer Support Centre, which is planned to accommodate some 200 personnel, is KUTTABUL/FBE. Even if it is assumed that A C Lewis House is retained, ADI Corporate Headquarters is relocated from Garden Island, and major redevelopment of the Maritime Headquarters - KUTTABUL Barracks enclave is undertaken, there is simply not sufficient capacity to accept WATSON's warfare functions in the KUTTABUL/FBE precinct. Similarly, relocation of the Navigation Faculty and its associated supporting elements to PENGUIN would also be problematic because of space limitations.

121. Another option to relocate WATSON's functions in the Sydney area is Randwick Barracks. This site comprises about 65 hectares, of which some 4.23 hectares has been sold. This leaves an area of some 60 hectares of which about 20 hectares is currently occupied by Army and support functions. The remaining 40 hectares is currently planned for disposal, but could be sufficient to accommodate all of WATSON's functions.

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122. The Randwick option has some attraction, because of its growth potential. It does not suffer from the pressures of a foreshore site and it offers the prospect of accommodating all of WATSON's current functions as well as the opportunity to provide additional LIA to support WATSON's and other Navy functions in the Sydney area.

123. There is little difference in the distance between WATSON or Randwick and Maritime Headquarters/FBE. Hence access to training functions by Ship Command Teams and MHQ staff support for tactical development and training support is unlikely to change. The move of navigation training to Randwick would be complicated by the need to transport trainees to the harbour for the practical elements of their course (at the moment they embark at Watsons Bay).

124. Other than the growth potential that the Randwick site offers there is no attraction in moving warfare and navigation training to Randwick. It would essentially be moving from a site which had no prospect of the Commonwealth achieving a capital return, to one in which there is some prospect of achieving a sale and revenue possibly as much as several hundred million dollars.

125. Another potential site for WATSON's functions could be Holsworthy. This site offers similar attraction to Randwick in terms of growth potential, however it is slightly more remote from MHQ than WATSON, and it would have a major impact on the delivery of practical navigation training, because of its remoteness from Sydney harbour. As a consequence this option could impose a significant operating cost burden on Navy, with no apparent real gains from the relocation.

126. Although WATSON could be closed and its functions relocated elsewhere in the Sydney area, there seems little merit in pursuing such a course of action. Defence would be faced with:

- the Commonwealth not receiving any revenue from the disposal of the site,
- the significant capital cost of relocation of at least \$187.5m excluding GST,
- some minimal garrison support cost savings (based on previous indicative analysis),
- increased operating costs from relocating training functions at less efficient sites,
- site remediation costs would be borne by the Commonwealth, and
- in the event of relocating to Randwick the Commonwealth would forego revenue, possibly several hundred million dollars, from the sale of the site.

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s22

159. WATSON is the Navy's principal warfare and navigation training establishment. The functions performed at WATSON could be performed elsewhere in the Sydney area. There are economies in warfare related training, especially Command Team Training, being conducted close to Major Fleet Units based at FBE, and Maritime Headquarters being proximate for support of doctrine development and wargaming activities. Similarly, navigation training needs to be delivered at a site, which has ready waterfront access and overlooks a natural horizon for celestial navigation training.

160. After analysis of various relocation options for WATSON's functions it is apparent that no existing Defence site offers any substantive advantage which would justify relocation of WATSON's functions and the base's closure. Defence would be faced with:

- the Commonwealth not receiving any revenue from the disposal of the site,
- the significant capital cost of relocation,
- some minimal garrison support cost savings,
- increased operating costs from relocating training functions at less efficient sites,
- site remediation costs would be borne by the Commonwealth, and
- in the event of relocating to Randwick the Commonwealth would forego revenue, possibly several hundred million dollars, from the sale of the site.

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162. s22

It has relatively few major functions to relocate, the move is unlikely to be complex, and it is likely to be less costly than relocation of either s22 or WATSON.

s22

166. In summary, there is no substantive advantage, and indeed many disadvantages in attempting to relocate the functions of s22 WATSON or s22.

RECOMMENDATION

167. It is recommended that:

- s22
- s22 WATSON and s22 be retained in view of their important training and operational support roles, and noting that their closure and relocation of functions offers no advantage, but would incur significant capital and other cost penalties.

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