

Royal Australian Air Force Base Williamtown Redevelopment Stage Two Project

- 3.1 The Department of Defence (Defence) seeks approval from the Committee to continue redeveloping the Royal Australian Air Force (RAAF) Base at Williamtown in New South Wales.
- 3.2 The primary objectives of the project are to upgrade and replace critical infrastructure and to improve the functionality, capability, security and compliance of facilities at RAAF Base Williamtown in order to support existing base functions and future Defence capabilities.¹
- 3.3 The estimated cost of the project is \$274 million, excluding GST.
- 3.4 The project was referred to the Committee on 17 June 2015.

Conduct of the inquiry

- 3.5 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 3.6 The Committee received one submission and three supplementary submissions from Defence and one submission from Mr John Donahoo. A list of submissions can be found at Appendix A.
- 3.7 The Committee received a briefing from Defence and conducted an inspection, public and in-camera hearings in Williamtown on 22 July 2015. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.²

1 Defence, submission 1, p. 12.

2 <www.aph.gov.au/pwc>

Need for the works

- 3.8 Defence has identified RAAF Base Williamtown (the Base) as strategically important for generating air combat capability. For this reason, it has grown since its establishment in 1941 and continues to grow with changing and increasing roles and capabilities.³

Previous works and Stage One works

- 3.9 The Australian government invested in the Base significantly with the introduction of the F/A 18 A/B (Classic Hornet) in the early 1980s. Subsequent investment occurred in 1992 for logistics and supply facilities on base and then in 1998 for the development of the on base Eastern Region Operations Centre.⁴
- 3.10 A Stage 1 Redevelopment of the Base was completed in 2004. It included a new precinct and home base for Surveillance and Response Group for the new Airborne Early Warning and Control B737 aircraft of No 2 Squadron, in addition to some engineering services upgrades.⁵

Proposed Stage Two works

- 3.11 The age of infrastructure currently on the Base varies considerably and Defence has identified an urgent requirement to address deficiencies in capability, functionality, security and compliance of base facilities and infrastructure. Examples include:
- base engineering services such as roads, parking, water, sewerage, electrical, fire and communications which are deteriorating;
 - office accommodation that is no longer functional or operationally efficient;
 - vehicle entry and search facilities that require upgrading to address security shortfalls; and
 - older facilities which do not currently meet relevant safety standards.⁶
- 3.12 The project proposes to provide purpose-built facilities, critical infrastructure and essential service works and adaptive reuse of some existing facilities such that they are fit for purpose, compliant and provide value for money.

3 Defence, submission 1, pp. 1-2.

4 Defence, submission 1, p. 2.

5 Defence, submission 1, p. 2.

6 Defence, submission 1, pp. 2-3.

3.13 On a site inspection, the Committee saw the ageing infrastructure and how buildings spread out over a large area would cause inefficiencies in operation.

3.14 The Committee is satisfied that the need for the work exists.

Options considered

3.15 Defence explored a range of options for each of the works' elements. These included:

- *Scope element 1 - new flexible office accommodation (FOA)*
 - ⇒ choosing a suitable site that would meet current and future noise considerations.
 - ⇒ selecting appropriate capacity options for the FOA (560, 680, 860 or 950 personnel).
- *Scope element 2 - upgrade base engineering services infrastructure*
 - ⇒ conducting site investigations to determine extent of repair needed.
- *Scope element 3 - new base entries*
 - ⇒ considering different designs and traffic flow configurations.
- *Scope element 4 - new No. 4 Squadron facilities*
 - ⇒ considering various combinations of building new or adaptively reusing buildings.
- *Scope element 5 - car parking*
 - ⇒ considering suitable sites and layouts.
- *Scope element 6 - demolition of redundant facilities*
 - ⇒ conducting a detailed review of discretionary demolition.
- *Scope element 7 - office accommodation provided through adaptive reuse*
 - ⇒ choosing between new build, off-site leased or adaptive reuse.

3.16 With the aim of addressing current deficiencies and optimising future needs, Defence has chosen a combination of demolishing, constructing and adaptively reusing facilities already on the Base, according to the requirements of each scope item.⁷

3.17 The Committee found that Defence has considered multiple options to deliver the project and has selected the most suitable option for each scope element.⁸

7 Defence, submission 1, pp. 16-18.

8 Defence, submission 1, pp. 6-9.

Scope of the works

3.18 Defence has separated the work into seven scope elements:

- *Scope element 1 - new flexible office accommodation (FOA)*
 - ⇒ construct a five-storey office building to accommodate approximately 950 personnel to support the transition of new capability and other base functions.
 - ⇒ construct an auditorium for 250 personnel as well as amenity and support functions.
- *Scope element 2 - upgrade base engineering services infrastructure*
 - ⇒ upgrade High Voltage System, including:
 - primary and secondary high voltage distribution network including new and
 - upgraded sub-stations;
 - upgrade Central Emergency Power Station (CEPS);
 - Local Emergency Generator Sets (LEGS); and
 - upgrade Power Control and Monitoring System (PCMS).
 - ⇒ decommission and demolish the Base Sewage Treatment Plant (STP);
 - ⇒ upgrade communications;
 - ⇒ upgrade fire water mains; and
 - ⇒ upgrade domestic water valves.
- *Scope element 3 - new base entries*
 - ⇒ construct new northern entrance as a hardened base entry point to operate continuously.
 - ⇒ upgrade existing southern entrance to provide additional security and access management during working hours only.
- *Scope element 4 - new No. 4 Squadron facilities*
 - ⇒ adaptive reuse of co-located working accommodation and hangar space.
- *Scope element 5 - car parking*
 - ⇒ construct on grade car parking for up to 800 spaces.
- *Scope element 6 - demolition of redundant facilities*
 - ⇒ various non-heritage and heritage buildings across the Base that are currently vacant, or that will be vacated, and are not suitable for adaptive reuse or are past their useful life.
- *Scope element 7 - office accommodation provided through adaptive reuse*
 - ⇒ facilities suitable for adaptive reuse will be upgraded to comply with current construction codes and standards, with minor fit-out and

noise attenuation works, including roof, ceiling and glazing enhancements where necessary.⁹

- 3.19 Construction of a new playing field in the Base's recreation precinct has been proposed, should there be sufficient funds available within the budget following competitive tender for the seven scope elements.¹⁰

Flexible Office Accommodation

- 3.20 The Committee sought clarification about the longevity of the new five-storey flexible office accommodation building. Defence responded:

Whilst the design life indicates a period of 30 years, Defence's expectations would be that buildings that are often designed for 30 years would deliver us a longer life span than the design life. Our expectations would normally be that a building designed at 30 years would probably give a 60- or 50-year life of the building. During a life like 30 years – for example, let us say 50 years – there would be expected to be refurbishments conducted inside the building and potentially external to the building, with the cladding to the building, to ensure that it remains an energy efficient and an appropriate building to retain.¹¹

- 3.21 Further, the Committee noted the projected increase of net operating costs for the building and queried how Defence proposed to minimise these costs. Defence responded that a new Smart Infrastructure initiative will monitor where energy efficiencies can be achieved.¹²

- 3.22 Additionally, Defence outlined other efficiencies to be gained from the proposed accommodation building:

I think one of the exciting opportunities that this building provides as the major element of the works is that it takes elements that are dispersed right across the air base and brings them together to deliver significant efficiencies.¹³

Demolition works

- 3.23 Defence stated that many of the older buildings do not meet current building codes and safety standards; nor are they environmentally sustainable. Significant demolition works are therefore proposed.¹⁴

9 Defence, submission 1, pp. 4-6.

10 Defence, submission 1, p. 6.

11 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 2.

12 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 3.

13 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 3.

14 Defence, submission 1, p. 6.

- 3.24 At the public hearing, Defence advised that nine Commonwealth heritage-mentioned assets are scheduled to be demolished. Defence has sought approval for these demolitions from the Minister for the Environment, however a decision is pending.¹⁵ Defence stated they intend to act in accordance with the Minister's decision.¹⁶
- 3.25 At the public hearing, the Committee sought assurances regarding the safe handling of any hazardous material that might be uncovered as a result of demolition work. The project's director responded on Defence's behalf:
- We are currently undertaking investigations, and we have an asbestos register so that we know exactly what is in those buildings and how we are going to contain them. We do have environmental management plans...and control measures on how to deal with that. In relation to the public, all of those areas under demolition will be completely sealed off and there is a set process in how we do that. There are several different forms of asbestos; luckily for us the really nasty stuff is not in these buildings. We do have friable asbestos and we will be dealing with that appropriately.¹⁷
- 3.26 Demolition works will also reduce the impact of noise on the Base. Approximately 23 buildings are currently within high noise areas.¹⁸ While proposed demolitions will reduce the number of buildings in this area, Defence told the Committee that some will remain.¹⁹ Defence told the committee that, generally, the proposed works will move personnel further from higher-noise zones.²⁰
- 3.27 Subject to Parliamentary approval of the project, work is expected to commence in mid-2015. Works will be progressively completed, with all works expected to be completed by late 2021.²¹
- 3.28 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

15 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 1.

16 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 5.

17 Mr Adrian Mulhall, Leighton Constructions, transcript of evidence, 22 July 2015, p. 6.

18 Defence, submission 1, p. 3.

19 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 7.

20 Air Commodore Steven Robertson, Royal Australian Air Force, transcript of evidence, 22 July 2015, p. 6.

21 Defence, submission 1, p. 26.

Community consultation

- 3.29 During June and July 2015, Defence undertook community consultation activities consisting of:
- detailed email correspondence with local groups and State and Federal members, with individual briefings conducted where requested;
 - advertisements in local newspapers and on radio stations; and
 - two public consultation sessions held on 2 July 2015.²²
- 3.30 Specific concerns regarding the impact of works and potential increased risk of flooding to neighbouring properties were raised during public consultation, and also by Mr John Donahoo in a written submission and statement to the Committee at the public hearing.²³
- 3.31 In response to earlier questions from the Committee on flooding and drainage, Colonel Cumming noted that there would be an overall reduction in the hard surface areas on the Base following demolition of a number of buildings that were no longer useful.²⁴ Defence had also previously advised residents at the consultation sessions that maintaining drains is a matter for the Port Stephens Council.²⁵
- 3.32 Other key issues raised in the public consultation sessions included road closures, program of works, employment opportunities, and concerns regarding noise.²⁶
- 3.33 Defence provided answers during these sessions, and expanded on the matter of road access and safety at the public hearing:

The response to community concern is aligned with our view of Medowie Road need for work. The work that is intended to be done on Medowie Road under this project will see a significant increase in the safety and the amenity of Medowie Road for the community and for the base community. We are working with the local authorities to ensure the right approvals are made. We are working with Roads and Maritime Services New South Wales to ensure that signalling devices which will be put on Medowie Road are appropriate and consistent with their needs. It is intended that the work that we do on Medowie Road will increase safety, particularly of some of those intersections, and allow us to better

22 Defence, submission 1.3, p. 1.

23 Mr John Donahoo, submission 2, p. 2 & transcript of evidence, 22 July 2015, p. 10.

24 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 5.

25 Defence, submission 1.3, p. 10.

26 Defence, submission 1.3, pp. 9-12.

define the traffic flow through the base, again for work and safety reasons.²⁷

- 3.34 At the public hearing, Councillor Geoffrey Dingle from Port Stephens Council commented on road safety issues:

Port Stephens Council is responsible for the pavement on Medowie Road. Currently it is...in poor condition. I have spoken to senior council staff and there has been no consultation or discussion about the potential opportunity to upgrade the remainder of the pavement while the intersections are being upgraded. It is a unique opportunity for us to work in concert...with the contractor to upgrade the pavement between the intersection...²⁸

- 3.35 Further, Councillor Dingle discussed the need to extend an existing cycleway to run between the northern gate of the Base and the Medowie-Campvale intersection.²⁹

Cost of the works

- 3.36 The estimated cost of the project is \$274 million, excluding GST.
- 3.37 During the in-camera hearing, the committee queried the high cost of construction for the carpark. In response, Defence drew attention to the low-lying area and advised that drainage and lighting requirements had contributed to the high cost. The Committee was subsequently satisfied.
- 3.38 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.
- 3.39 The Committee considers that the cost estimates for the project have been adequately assessed by Defence and the Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating the Committee makes no comment in relation to this matter.

Committee comments

- 3.40 The Committee commends Defence's commitment to ongoing community consultation and encourages collaboration between Defence and the Port Stephens Council specifically in relation to the Medowie Road upgrade.
- 3.41 The Committee did not identify any issues of concern with Defence's proposal and is satisfied that the project has merit in terms of need, scope and cost.

27 Colonel Ian Cumming, Defence, transcript of evidence, 22 July 2015, p. 4.

28 Councillor Geoffrey Dingle, Port Stephens Council, transcript of evidence, 22 July 2015, p. 10.

29 Councillor Geoffrey Dingle, Port Stephens Council, transcript of evidence, 22 July 2015, p. 10.

- 3.42 Proponent agencies must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of completion of the project. A report template can be found on the Committee's website.
- 3.43 Having regard to its role and responsibilities contained in the *Public Works Committee Act 1969*, the Committee is of the view that this project signifies value for money for the Commonwealth and constitutes a project which is fit for purpose, having regard to the established need.

Recommendation 4

- 3.44 **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: the Royal Australian Air Force Base Williamtown Redevelopment Stage 2 Project.**

Recommendation 5

- 3.45 **The Committee recommends the Department of Defence work collaboratively with Port Stephens Council on the Medowie Road upgrade to achieve the best outcome for drivers, cyclists and pedestrians.**

Senator Dean Smith

Chair

13 August 2015

