



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC  
WORKS

**Reference: RAAF Base Edinburgh redevelopment stage 2, South Australia**

TUESDAY, 21 APRIL 2009

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**PARLIAMENTARY STANDING  
COMMITTEE ON PUBLIC WORKS**

**Tuesday, 21 April 2009**

**Members:** Mr Butler (*Chair*), Senator Troeth (*Deputy Chair*), Senators Mark Bishop and Forshaw and Mr Champion, Mr Forrest, Mr Lindsay, Mr Price and Mr Slipper

**Members in attendance:** Senator Mark Bishop, Mr Butler, Mr Champion

**Terms of reference for the inquiry:**

To inquire into and report on:

RAAF Base Edinburgh redevelopment stage 2, South Australia

**WITNESSES**

**COPPOCK, Mr Graeme John, Defence Manager, Kellogg Brown & Root Pty Ltd ..... 1**

**CRAVEN, Mr John, Project Manager/Contract Administrator, RAAF Base Edinburgh  
Redevelopment Stage 2 Project, Department of Defence ..... 1**

**GRICE, Brigadier William, Director-General, Infrastructure Asset Development, Department of  
Defence ..... 1**

**SMALLWOOD, Wing Commander Rodney Philip, Base Commander, RAAF Base Edinburgh,  
Royal Australian Air Force ..... 1**

**SMITH, Mr James, Manager, Technical Services, Defence Support South Australia, Department  
of Defence ..... 1**

**TAMPI, Mr Vijay, Project Director, South Australia/Victoria, Department of Defence..... 1**



**Committee met at 12.17 pm**

**CRAVEN, Mr John, Project Manager/Contract Administrator, RAAF Base Edinburgh Redevelopment Stage 2 Project, Department of Defence**

**GRICE, Brigadier William, Director-General, Infrastructure Asset Development, Department of Defence**

**SMITH, Mr James, Manager, Technical Services, Defence Support South Australia, Department of Defence**

**TAMPI, Mr Vijay, Project Director, South Australia/Victoria, Department of Defence**

**COPPOCK, Mr Graeme John, Defence Manager, Kellogg Brown & Root Pty Ltd**

**SMALLWOOD, Wing Commander Rodney Philip, Base Commander, RAAF Base Edinburgh, Royal Australian Air Force**

**CHAIR (Mr Butler)**—I declare open this public hearing of the Parliamentary Standing Committee on Public Works in its inquiry into the proposed redevelopment of RAAF Base Edinburgh, Adelaide, South Australia. Before I call witnesses from the Department of Defence, I point out that media have asked to be present during this public hearing. Is it the wish of the committee to approve their presence here pursuant to the standing orders that govern this committee? I also ask whether the witnesses have any objection to that. There being no objection, it is so ordered. Do you have anything to say about the capacity in which you appear?

**Mr Craven**—I am the consultant and project manager, and I work for Thinc Projects.

**CHAIR**—Thank you. Before asking you to make an opening statement, Brigadier, on behalf of the committee I thank the wing commander for the inspection of the base that we were able to undertake this morning. It has given us a mind's eye idea, I guess, of the proposal that is before us, and I think it will greatly help us to deal with this project proposal.

**Brig. Grice**—Thanks, Mr Chairman. I have two small amendments to the statement of evidence. The first one is on page 9 of the evidence, at paragraph 28. A new subparagraph 28(c) should be inserted, which would read:

A new weapons training shelter.

You saw the site of that during the site tour at No. 24 Squadron this morning.

**CHAIR**—Yes.

**Brig. Grice**—The second amendment is on page 15, at paragraph 55, which should be deleted and replaced with a new paragraph 55 which states:

The hydraulic infrastructure will also include a non-potable second class water supply using water provided from the central water storage site provided under the Hardened and Networked Army project.

**CHAIR**—Okay.

**Brig. Grice**—This proposal seeks approval for the RAAF Base Edinburgh redevelopment stage 2 project at the Edinburgh defence precinct for the Department of Defence. The RAAF Base Edinburgh redevelopment stage 2 project will deliver facilities and infrastructure to improve the support capability of the base. RAAF Base Edinburgh provides maritime surveillance operations throughout Australia's airspace, supports combat operations and enhances and extends the Australian Defence Force's combat capability through the provision of comprehensive, timely and integrated support. The base is currently the home base for No. 92 Wing, No. 87 Squadron and No. 24 Squadron. No. 462 Squadron will be relocating to the Edinburgh defence precinct from Canberra in 2012.

The project comprises nine elements: new working accommodation for No. 462 Squadron, new working accommodation for No. 87 Squadron, new and refurbished crew working accommodation for No. 92 Wing, new and refurbished working accommodation for No. 24 Squadron, a new air traffic control tower, two new ordnance loading aprons, an upgrade of base wide passive defence systems, an upgrade to engineering services infrastructure within the air force precinct in the base, and the demolition of redundant facilities. The project is estimated to cost \$99.56 million, excluding GST, and this cost estimate includes all construction costs, management and design fees, furniture, fittings and equipment and necessary contingencies. And subject to parliamentary clearance, it is intended to commence construction works in late 2009, with the works being complete in mid-2012. The defence witnesses are ready to answer any questions the committee may have.

**CHAIR**—Thank you, Brigadier. I should have given you this warning before you gave your opening statement. I hope my lateness does not result in you ending up in jail. I imagine that you have heard it enough times. Although the committee does not require you to give evidence under oath at these proceedings, I should advise you that these hearings are formal proceedings of the parliament and, consequently, they warrant the same respect as proceedings of the parliament itself. I remind witnesses that giving false or misleading evidence is a serious matter and might be regarded as a contempt of parliament. Are there any further introductory remarks, or will we move to questions?

**Brig. Grice**—Just move on. There is no need to change any of the remarks.

**CHAIR**—You still feel comfortable with them?

**Brig. Grice**—I still feel comfortable with them.

**Mr CHAMPION**—I think last time we were in this room talking about the Hardened and Networked Army proposal, I asked you some questions about local employment in particular, and some of the economic effects on the local area of the vast construction that is happening out in Edinburgh. Can you give us a report on how many local tradesmen might be employed out at Edinburgh, and what economic effects there are for the local area?

**Brig. Grice**—Certainly. As I indicated at the Hardened and Networked Army hearing, we believed at that time that local companies within the Adelaide region and within North Adelaide would be competitive. If we talk about the HNA project, the head contractor there, Baulderstone,

has contacted about 70 per cent of their subcontracts on those first two initial contracts for that project. They have advised that between 90 and 95 per cent of the subcontracts for that work have been let to Adelaide based companies and about 50 to 52 per cent of those subcontracts had been let to North Adelaide based companies. So there has been quite an amount of work which has been let to local companies.

In addition, there is a daily workforce on the site at the moment of around 300, which would grow to between 800 and 1,000 later this year, and Baulderstone has inducted nearly 1,300 workers on to the site to work on the site over the next year or so. About 40 per cent of those, or close to 600, are from the North Adelaide region—all of them being from Adelaide itself. So there has been some economic benefit passed on to local industry.

In addition, at the HNA project hearing Mr Dechlan Ellis indicated that the tenderers who were tendering for the works were participants in the InSkill SA initiative and Baulderstone is a participant in that with its ongoing commitment to skills and apprenticeships and training. There are a number of apprentices and other work experience people who are on the project at the moment. I would expect that this project, the Edinburgh redevelopment project—which would employ similar skills, similar construction techniques, similar materials and similar communications and infrastructure requirements to those on the Hardened and Networked Army—would probably follow a similar pattern and local companies within the Adelaide region, as well as North Adelaide, would probably continue to be competitive.

**Mr CHAMPION**—There is another major project going on in the area—the Northern Expressway project—and part of the contract for that project requires the contractors to employ a certain number of young people and Indigenous people as part of the contractors getting the contracts. Is there any requirement in defence contracts for those sorts of provisions, to give young people or Indigenous people or any other vulnerable groups their first start in civil construction? Is there any requirement for the contractors to report to defence about their work forces and the makeup of them?

**Brig. Grice**—As I mentioned at the HNA hearing, under the Commonwealth procurement guidelines there are no mandates to target youth or Indigenous or other sections of the community. However, as I stated earlier, the contractor here is participating in a South Australian government initiative. Currently there are 20 apprentices, three graduates and a work experience person full-time on-site at the moment. There is no requirement for the contractor, under the contract, to report the minute detail of their workforce. However, it is something that they provide freely, without hesitation, when we ask for it. I know that on the HNA project they are not measuring Indigenous employment as such due to application of equal opportunity policies, so they are not reporting that.

**Mr CHAMPION**—What about young people?

**Brig. Grice**—I have not asked that question. We could ask that question. We might see if we can get you an answer on young people. How would you like to define ‘young’?

**Mr CHAMPION**—Younger than anybody in this room? Maybe under 25?

**Brig. Grice**—We will make a phone call and see if we can get you an answer before the end of the hearing on the percentage of the workers who are sub 25.

**Mr CHAMPION**—Is there anything in the Commonwealth guidelines that prevents you from putting these things in the contracts? Obviously there are things you cannot do.

**Brig. Grice**—Yes, there are. We cannot restrict to any of those categories. You may recall there was a recommendation out of the Hardened and Networked Army initiative, which was a recommendation for the government to look at changes to legislation to do that. I understand the Minister for Finance and Deregulation has been in contact with the Chair on that matter. I am not privy to those discussions.

**CHAIR**—Is that an invitation?

**Brig. Grice**—No, Mr Chairman. Defence noted that recommendation. It was a matter for the government and I understood it was in the portfolio responsibility of DoFD. I am not aware of what has occurred within DoFD.

**Mr CHAMPION**—Given the CFMEU has raised some queries in the submission about this issue, do you have anything further to add to the response to the CFMEU? Can you understand the concerns given the environment?

**Brig. Grice**—I can certainly understand. Defence projects are there for one reason, and that is to satisfy national capability requirements. A defence project is not initiated for the reduction of short-term unemployment or for any other reason, other than there is a long-term requirement for defence capability in the region. That is the rationale for our projects. However, when a project comes into a region it obviously brings opportunities for the local population. That is evidenced by what has happened in this project. Under the Commonwealth procurement guidelines, we cannot bias contracting activity towards any segment of the market. You can imagine the minefield if we tried to determine what a local area was—how far south do you go before you are no longer in North Adelaide?

**Mr CHAMPION**—Gepps Cross!

**CHAIR**—The electoral boundary between Wakefield and Port Adelaide!

**Brig. Grice**—The Commonwealth's procurement activity is all about achieving value for money for taxpayers' dollars and we do not artificially constrain the market. However, as I have stated in many previous hearings, geography gives a good competitive advantage. More than 50 per cent of the work so far has been let to North Adelaide companies.

**CHAIR**—Is there any idea of the number of apprentices or trainees on site?

**Brig. Grice**—I am aware of 20 apprentices, three graduates and a work experience person that are on the site at the moment. But that number changes and I am not sure what it will grow to when we get to the mature workforce. I have only asked the question: what is on the site at the moment? I expect that it would increase as the workforce grows. We will try to get an answer about the really young people on site before the end of the hearing.

**Senator MARK BISHOP**—I want to talk about energy efficiency in government operations. I am advised that Defence are required to progressively install submeters at relevant bases by 2011 as part of a coordinated approach to better use and manage energy. Firstly, does it apply here at Edinburgh? Secondly, is it the intent of the department to install the relevant submeters? Thirdly, if the answer is yes, when is that going to be done?

**Brig. Grice**—The EEGO policy applies to this project, and all new facilities will fully comply with all the requirements of the EEGO policy. I am aware that our estate policy in the environment branch within the infrastructure division is managing a program for the retrofitting of meters to existing portions of the estate that are not touched by new projects. I might pass to Jim Smith to give you an idea of what the status of that is within this region.

**Senator MARK BISHOP**—Both existing and new structures, if you do not mind, Mr Smith.

**Brig. Grice**—All of the new structures are covered and we do that when we build them. They are all designed to those requirements and we comply. Jim can talk about the rest.

**Mr Smith**—I have certainly been putting electrical meters on buildings when doing any refurbishment. That has been a progressive thing over the last five years. We currently have a major upgrade program going at the moment and we are going to be installing quite a significant number of meters on existing facilities to start documenting the usage of facilities. It is an ongoing program and we will continue to do that until we have all the major facilities metered. We look at the electrical and we are also starting to look at the water usage. At the moment there is normally a bulk meter for water and we are trying to cut that down so we can identify individual precincts.

**Brig. Grice**—That is an Australia-wide policy which is being implemented. Defence is aware of the time lines that we have to complete that work and we are working hard towards them.

**Senator MARK BISHOP**—Are you advising the committee that, in terms of the guidelines for implementation for energy use identification and analysis, you are on time with the time lines?

**Brig. Grice**—It is outside of my direct area of responsibility but I am aware that there is a plan they are working to that, if it goes to plan, would give us compliance by the due dates.

**Senator MARK BISHOP**—Are you talking about Edinburgh or generally?

**Brig. Grice**—I am talking generally—across Australia.

**Senator MARK BISHOP**—Mr Smith, are we on time at Edinburgh?

**Mr Smith**—Yes. At this stage our program is on time to have all the meters installed that we have been allocated for this financial year.

**Mr CHAMPION**—On our tour we saw that the north entrance will provide an alternative entrance for Edinburgh. I wonder what effects you think that will have on local traffic, which has been a concern in the mornings and in the evenings.

**Brig. Grice**—I will pass to Jim Smith to give a more detailed answer. A base-wide traffic management study was commissioned. There have been several studies conducted in coordination with local authorities for both the Hardened and Networked Army project and this project, and the measures that we are putting in place with the south gate upgrade under the Hardened and Networked Army project and the north gate and main gate upgrades under this Edinburgh redevelopment project will divert a lot of future traffic away from the main gate into RAAF Base Edinburgh. We are continuing to work with local government on longer-term solutions for traffic around the Edinburgh Defence Precinct. Jim, you may want to give them an update on where we are with that planning and coordination.

**Mr Smith**—We are currently involved in a road study, principally for the commercial roads of Salisbury between Purling Avenue and the Salisbury Highway, looking at and assessing the related options for trying to alleviate that issue. We do know there have been significant issues at the DSDO entrance as well as the RAAF. Some of those have been alleviated by the upgrade of West Avenue over the last couple of years. This study will identify what the issues are and the options to rectify that for the next 21 years, and it may involve another overpass from Purling Avenue. It will be looking at the rail crossing—which we believe is a significant issue when the trains go past, because it stops the traffic and banks up quite a significant amount—as well as the link between Commercial Road and the Salisbury Highway. So we believe this study will be able to identify those issues. We will then look at the responsibilities of the City of Salisbury, the City of Playford, the LMC—that is the land management corporation—and Defence, and then we will react to that appropriately. I would hope that study would be finished within the next few months or so, so we should have some sort of insight within six months.

**Brig. Grice**—With regard to this project and the Hardened and Networked Army project, the work that we are doing to upgrade the three entrances will provide for the estimated total of 7½ thousand daily in-and-out movements onto and off the base.

**CHAIR**—I have a question about water. I noticed when coming into the base this morning how dry the immediate environs are, and on the bus we had some discussions about dust. We also talked about the increase in the population from around 3,000 up to 4,700 in the next two or three years. I presume that is going to have a significant impact on use of water and tapping into the local supplies in due course. In the briefing notes there is some discussion of stormwater, stormwater usage and ESD. Is it the intent for the base and its population to be self-sufficient over time in the use of water or do we anticipate continuing access to outside supply?

**Brig. Grice**—We will never become self-sufficient for potable water on the base, and we will continue to draw potable water from the local infrastructure. Defence's strategy is to reduce our requirement for potable water over time by eliminating all uses beyond those that strictly require potable water. You will recall that as part of the Hardened and Networked Army project we had two major initiatives; one is where we have installed an underground storage system to collect all rainwater runoff off the Hardened and Networked Army precinct, the mess, the gymnasium and other precincts to provide a base-wide non-potable water distribution system for the provision of water for the flushing of toilets and urinals and for the irrigation of plantings and football fields. That is being constructed as we speak. I cannot recall the figures—I will have a look—but it was to provide a large reduction in our potable water use on the base after the expansion occurs.

The second element of the plan was in coordination with the Salisbury City Council, and it was to collect stormwater and channel it from upstream of the Edinburgh Defence Precinct, off Defence land, onto and across Defence land and into the aquifer recharge. At the moment, that water does not make it there, but one of the elements of the Hardened and Networked Army project was a large drain around the western and southern portion which collects stormwater from off base, transports it through the base in cooperation and consultation with the council and feeds into the Salisbury aquifer recharge system. So they are the measures.

Within the Edinburgh redevelopment project, we are connecting all of those facilities that we are building new or refurbishing on the base to the non-potable water supply for toilet flushing and those types of uses. The facility that we are building for No. 462 Squadron over in the DSTO precinct, where there is not a non-potable water distribution system, will be provided with rainwater storage tanks. We will collect rainwater off that building for use to reduce potable water requirements for toilet flushing and urinals.

**Senator MARK BISHOP**—Is that excess water collection and re-use what is colloquially referred to as greywater or blackwater recycling or is that something different?

**Brig. Grice**—No, that is something different. That is when you take the effluent—greywater is from laundries and kitchens and blackwater is from your toilets—and treat it. We are not doing that; we are collecting stormwater run-off.

**Senator MARK BISHOP**—So there is no suggestion here of greywater or blackwater recycling.

**Brig. Grice**—No.

**Mr CHAMPION**—On that stormwater run-off, normally part of the Salisbury aquifer storage recharge involves wetlands of some sort. Is that what is going to be used to clean up the water? That might be a question for James.

**Mr Smith**—I can talk about the ASR, the aquifer storage recovery system. I have been involved with that with the city of Salisbury for some years now. Primarily, what we, Defence, have provided is the southern detention basin. The water from a 100-year flood will all go into this big basin and then, within 48 hours, it will go back and dissipate. They have wells down in the ground in that area, and that is where the water gets injected down into the different layers of water under the ground; then, of course, they pump it back out afterwards. In fact, our whole drainage for the whole base goes down to that area, so we have been feeding that southern basin for many years now. It has been a collaborative approach with the city of Salisbury where we allowed them to install that southern basin, but there is no proposal to have wetlands, for the significant reason that they attract birds. As you know, we have had significant issues at the RAAF base over the years, and we certainly do not support having wetlands on the RAAF base.

**Brig. Grice**—Actually, at the bottom of the stairs down below there is a large presentation board. It shows the count of wetlands downstream from our detention basin where the water eventually goes. So there is a very good graphic representation of the water flow into the Salisbury aquifer recharge and then further down into the wetlands further away to keep the bird life away.

**Mr CHAMPION**—Excellent. That is why my house at Burton does not flood, I guess, so it is all a good thing.

**Brig. Grice**—I would just like to add that, at the Hardened and Networked Army figure, we had estimated and advised that, with the new units coming on board, the total site water demand was about 160 megalitres of potable water per annum. Of that, we had estimated that the non-potable water demand was around 59 megalitres, which is about 36 per cent of the anticipated use. We believe that, through our stormwater retention system and the purchase of water from the Salisbury aquifer recharge system in the event of no water being in our system, we can reduce potable water demand on the base by around 30 or 35 per cent.

**CHAIR**—That is after the population increase?

**Brig. Grice**—Yes.

**CHAIR**—What would the current usage be?

**Mr Smith**—I have not got those figures with me.

**CHAIR**—We had a good look during the inspection at the progress on the HNA initiative, and we also know that the Enhanced Land Force initiative that was approved by parliament a few weeks ago has a component at Edinburgh; there is this proposal as well. I wonder whether, to give us a total picture of what is happening in and around Edinburgh, you could outline how this fits into the other projects and what value of construction we are looking at at Edinburgh.

**Brig. Grice**—Certainly. As you will recall, the Hardened and Networked Army project was cleared by parliament at about \$623 million. The C17 project is building an air movement section and cargo handling facility as well as a heavy apron for heavy lift aircraft and some taxiway and turning points at a value of around \$30 million, which is currently in construction for completion early next year. This will provide suitable facilities for heavy airlift aircraft to land at Edinburgh and take on cargo and passengers of any type, be that military units deploying strategically or within Australia on training or other exercises. The Enhanced Land Force stage 1 project included the construction of a fourth line heavy vehicle maintenance and weapons maintenance facility at a cost of around \$25 million, which was cleared by parliament in March. We are currently in the process of preparing tenders and we estimate that that project will be in construction later this year with completion towards the end of 2010 or the beginning of the first half of 2011. This proposal is for a total of \$99.56 million, which gives us a total of works that are approved or being considered by the committee of around \$800 million worth of investment on RAAF base and DSTO Edinburgh.

In addition, related to the Hardened and Networked Army initiative, the Defence Housing Authority will build several hundred houses in this area over the next several years. It is not in my portfolio area of responsibility, but there is some key money, no doubt, in that and I guess in due course there will be referral to the committee of a project. Single LEAP phase 2, which was cleared by parliament in 2007, is due to provide about 230 living-in accommodation units for single soldiers on the base. During the site tour today we showed you the pink area where those will be built. They are to be delivered under public-private partnership, which is a recurring cost rather than a capital cost. If you add all of those things together, we have somewhere between

\$800 million and \$1 billion of infrastructure investment within the area of Edinburgh and its immediate surrounds.

**CHAIR**—Thank you for that. Have you got something else?

**Brig. Grice**—This is the answer to the question on the youngsters: as of 17 April, we have had 1,323 inducted. We know the date of birth for 1,160 of those people. Of those 1,160, 193 are 25 years or younger. If you use a percentage basis for the ones whose date of birth we do not have, it would come out that around 222 to 230 of those that have been inducted are under 25 years of age. One other thing—during the tour I mentioned two deferred works items that we would like to complete if we achieve savings during the tender environment. I am sure we will discuss them during the confidential cost hearing, but you may want me to place on record what those are.

**CHAIR**—In brief terms, yes.

**Brig. Grice**—In brief terms, one of those was the provision of additional computers for 92 Wing; the second one was additional works at the air traffic control tower to replace the remainder of the building and build new facilities to replace those. We can discuss those during the confidential cost hearing.

**CHAIR**—Thank you very much for your attendance and thank you also to members of the public, the community and the media who attended today's public hearing.

Resolved (on motion by **Mr Champion**):

That this committee authorises publication of the transcript of the evidence given before it at public hearing this day.

*Evidence was then taken in camera—*

**Committee adjourned at 1.18 pm**