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JOINT COMMITTEE ON PUBLIC WORKS

Reference: Land Engineering Agency test services relocation, Monegeetta, Victoria

FRIDAY, 7 SEPTEMBER 2007

MELBOURNE

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**JOINT STATUTORY COMMITTEE ON
PUBLIC WORKS**

Friday, 7 September 2007

Members: Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Hurley, Parry and Troeth and Mr Forrest, Mr Jenkins, Mr Ripoll and Mr Wakelin

Members in attendance: Senator Troeth and Mr Jenkins

Terms of reference for the inquiry:

To inquire into and report on:

Land Engineering Agency test services relocation, Monegeetta, Vic.

WITNESSES

**AITKEN, Mr Shane Peter, Director, Prototype and Test Services, Land Engineering Agency,
Department of Defence 1**

FRENCH, Mr David John, Director, Property Disposals, Department of Defence..... 1

McDONALD, Mr Adam John, Project Manager, Sinclair Knight Merz..... 1

**McGRATH, Mr Alan Leslie, Executive Director, Infrastructure Asset Development, Department
of Defence..... 1**

TAMPI, Mr Vijay, Project Director, Victoria, Department of Defence..... 1

Committee met at 11.14 am

AITKEN, Mr Shane Peter, Director, Prototype and Test Services, Land Engineering Agency, Department of Defence

FRENCH, Mr David John, Director, Property Disposals, Department of Defence

McGRATH, Mr Alan Leslie, Executive Director, Infrastructure Asset Development, Department of Defence

TAMPI, Mr Vijay, Project Director, Victoria, Department of Defence

McDONALD, Mr Adam John, Project Manager, Sinclair Knight Merz

ACTING CHAIR (Senator Troeth)—I declare open this public hearing into the proposed Land Engineering Agency test services relocation, Monegeetta, Victoria. This project was referred to the Public Works Committee on 31 May 2007 for consideration and report to parliament. In accordance with section 17(3) of the Public Works Committee Act 1969:

- (3) In considering and reporting on a public work, the Committee shall have regard to -
- (a) the stated purpose of the work and its suitability for that purpose;
 - (b) the necessity for, or the advisability of, carrying out the work;
 - (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
 - (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - (e) the present and prospective public value of the work.

Earlier, the committee received confidential evidence from the Department of Defence and the committee will now hear further evidence from the Department of Defence. I remind officers that they are still sworn. Are there any new witnesses to be sworn in? Mr French.

Witness was sworn—

ACTING CHAIR—Welcome, and thank you for meeting with us today. Do you have any comments to make on the capacity in which you appear?

Mr McGrath—I am representing Brigadier Bill Grice.

Mr Tampi—I am the project director for this project.

ACTING CHAIR—Thank you. The committee has received a statement of evidence from Defence. This will be made available in a volume of submissions to the inquiry and is also

available on the committee's website. Does Defence wish to propose amendments to the submission it has made to the committee?

Mr McGrath—No, we do not.

ACTING CHAIR—I now invite a representative of the Department of Defence to make a brief opening statement, after which we will proceed to questions.

Mr McGrath—This proposal seeks approval for the Land Engineering Agency test services relocation, Monegeetta Proving Ground, Victoria, for the Department of Defence. The aim of this project is to provide an overall infrastructure solution that will enable relocation of existing activities undertaken by the Land Engineering Agency from the Defence site Maribyrnong to Monegeetta Proving Ground. The Land Engineering Agency is a branch of the Land Systems Division within the Defence Materiel Organisation and is responsible for ensuring the technical integrity of land combat capability is attained and maintained over its entire life cycle.

The existing test and evaluation capacity will be required in the future for the continued support of Defence, and particularly Army, outputs. The facilities that support the full range of LEA test and evaluation capabilities do not exist elsewhere in Australia and, in terms of relocation sites, Monegeetta Proving Ground is considered the preferred basing option for this development, given the complementary nature of the existing operations with those undertaken at Maribyrnong at present, the long-term retention of this site within the strategic plan for the defence estate and, of course, the proximate location to Melbourne.

The proposed program of works at Monegeetta includes the following: the construction of a new enclosed light arms facility in support of testing and evaluation capabilities for small arms and ammunition; the construction of a new laboratories workshop administration building to support test and evaluation capability for electronic, mechanical and environmental evaluation of large-scale land materiel; the construction of a new petrols, oils and lubricants store; modifications to the existing headquarters building—the building that we are currently in; and a provision of supporting engineering infrastructure.

The budget for this project is \$36.9 million in out-turn terms. This includes professional design and management fees, construction, furniture and fittings and equipment, together with appropriate allowances for contingencies and escalation. Particular to this project is the significant allowance for specialised testing of equipment. Subject to parliamentary clearance, it is intended to commence works in early to mid-2008, with the works being completed by late 2009.

ACTING CHAIR—You have given us the basis for the decision to dispose of the Maribyrnong site. Was the decision to dispose of that site one that was initiated by the Department of Finance and Administration or the Department of Defence?

Mr French—The closure of the Maribyrnong site probably had its genesis in the late 1980s with the Cooksey review—the total review, at the ministerial level, of defence facilities—which recommended the early closure of what was then called ‘the explosives factory’, at Maribyrnong. Subsequent government reviews, the Defence Efficiency Review being the major one, have supported that decision. The explosives factory elements were moved from that site,

commencing in the early 1990s and taking a number of years to move on. So the efficiencies that we used to have on that 127-hectare site, the three particular elements being the explosives factory itself, the Defence Science and Technology Organisation and the Land Engineering Agency, are no longer there. It was a government decision, it was recommended through the Cooksey review and it was supported through subsequent reviews, and it has now been progressed by the Department of Defence in consultation with the Department of Finance and Administration.

ACTING CHAIR—We looked at a previous site at Randwick Barracks, where there had been problems associated with soil remediation and soil contamination. Will there be any site remediation works required by Defence to prepare the Maribyrnong site for disposal?

Mr French—Absolutely. As its history is an explosives factory, the Maribyrnong site is heavily contaminated. The contamination is concentrated in a number of areas and some significant remediation will have to happen on that site. We are currently in discussion with the Victorian government and the Victorian Environment Protection Agency about the best way that can go forward. At this point in time we do not have a firm strategy but, recognising that the cost will be significant—in the millions of dollars—it will have to be referred to the committee anyway. That is currently being drafted for future referral.

ACTING CHAIR—So we can look forward to an inspection at the Maribyrnong site when that happens?

Mr French—Yes.

Mr McGrath—You certainly can.

ACTING CHAIR—I know that you put the tender process in your remarks in the confidential briefing but, for the public record, I would like you to run through your description of the tender process in terms of the tender versus your estimates and how the process works.

Mr McGrath—Certainly. I will firstly put things into some context. The phase we are currently in is called the pre-approval or development phase. Our key objective in developing a project to present to government, first of all, and then to the committee itself is to reduce risk in terms of the main elements. I will call the main elements scope, budget and schedule, and in some cases elements such as environmental and heritage issues are included. So the idea of developing a cost estimate, which we ultimately provide to you at this hearing, is to get a firm understanding of what the risks are in those particular elements and to present to you a cost estimate for the project which we can be confident we can deliver. In this case the amount is \$35.9 million.

We do a lot of work to get to that point. We discussed earlier how the quantity surveyors build estimates from the basic elements. That enables us to present to you an estimate that talks about all the different elements of a project, including risks such as escalation and design contingency. We are not at the point where we have tender documentation ready to go to the market, and we have a way to go before we get there, but we also need to provide to you a clear understanding of the scope of work within reasonable boundaries.

So we bring that forward at this point and present the detailed estimate to you. Once the project has been cleared by parliament, we will then go to tender for the construction element of the project. That is obviously the main element that we need to put to tender. In broad terms our process is that we go to open tender. In this project we are contemplating a head-contract arrangement. Given the fact that we probably will not go to tender until March or April—obviously we have to wait for the expediency motion—we will continue to refine our estimates. This is a living document, if you like.

We will get to the point where we are ready to go to tender sometime early next year. Before we go to tender for the head contract, which is the main building contract, we will produce what we call a pre-tender estimate. That estimate will refine what we presented to you today. It will be broken down into lots of different elements so that, when we go to tender and get tender responses back, we will be able to evaluate those tenders. For example, the electrical services section of that tender is the sort of number that we are looking for in our pre-tender estimate. We use that information to evaluate the different tenders. We are looking for areas where the tenders might have overlooked things or the estimates are high for particular elements. We use that information to do the evaluation. We test our construction pre-tender estimate against the actual tenders. We get a level of certainty that the contractor has understood what we are looking for, in terms of both the scope and the technical response and also the cost estimate, or the tender price, in that case. The estimate you saw today will be refined as we close off the design process and move into a situation where we are ready to go to the marketplace.

ACTING CHAIR—I note there is a Defence contingency value of \$2.1 million. Is there also an escalation clause in either the project manager's or the designer's contract in the event of any delays, or is that built into the contingency plan?

Mr McGrath—No, the estimates for our project management and design consultants are lump sum estimates. Should the project be delayed significantly—and I say 'significantly' deliberately—we might need to talk to our consultants about additional cost, but usually that is not the case. The case would be that they have provided us a lump sum price to produce the services that we require, which includes advice during the construction phase, regardless of when that happens. Like anything, there might be a need for negotiation. If the project was delayed 12 months, for example—and clearly no-one could expect that would happen—we might need to go back and talk to them about whether they had any additional costs. Generally speaking, that would not be the case. The delay would be a matter of a few weeks or a few months at the most. We would expect their lump sum price to account for some of that risk.

ACTING CHAIR—You also refer to a panel of 10 companies. You might tell us whether those companies will be asked to tender or whether they will be eligible to put in for tender.

Mr McGrath—No, they will not. The purpose of the panel, which I talked about earlier today, is to do with project management and contract administration services. It is the up-front people, like Mr McDonald, who help us during the development phase of the project in the designs, the scoping studies and the various other things that need to be done. Mr McDonald, or at least his company, ultimately will be responsible for managing the contract administration of the head contractor when we appoint a head contractor—assuming, of course, that this project is cleared by parliament. Their services are quite different. The panel's purpose is to provide what I call professional services. We engage them at the start of the project and we engage them,

generally speaking, for the whole project. When we go to tender, in this case it is for the head contractor to do the construction work. Of course we cannot do that until after the expediency motion. The nature of these services is quite different. We do not have a panel for construction services; we have to go to open tender.

ACTING CHAIR—I understand the difference.

Mr JENKINS—In considering the relocation, what other options for sites were looked at?

Mr McGrath—We looked at over a dozen sites. I can name them, if you wish.

Mr JENKINS—Generally will do.

Mr McGrath—Maribyrnong, obviously; Fishermans Bend, another area with defence zones; Monegeetta; Ballarat; Geelong, where we have existing defence establishments; Simpson Barracks at Watsonia; Puckapunyal; Crows Nest; Queenscliff; Portsea; and a number of other places, including Defence establishments in Melbourne itself. In looking at all those sites, the key issue was integrating the services that are done within this new proposal with what happens at this site. I guess that, at the end of the day, the main thing we concentrated on was the solution being Monegeetta because of the considerable advantages of bringing the two arms of the Land Engineering Agency together on one site. We did look fairly widely but Monegeetta, at the end of the day, was a fairly obvious solution in terms of siting.

Mr JENKINS—In 21 years I have never really reflected on the cheat sheet that the secretariats provide for any committee, but I have to today. I have before me question No. 15. Given that the acting chair is a senator for Victoria and I hold a seat in Victoria, it was suggested that we ask you: why is it necessary to retain the LEA in Victoria? In leading the witness, I urge you to give us the strongest response possible! Having said that—I feel better now! I want to go back to the nature of the Land Engineering Agency. There is talk of the two operational divisions being Land Combat Systems and Accredited Test Services. I take it they are the only two operational divisions—perhaps I should just ask you to explain to me about LEA.

Mr McGrath—I would be very happy to pass that question over to Mr Aitken.

Mr Aitken—The Land Engineering Agency is headquartered in Defence Plaza in Melbourne. It comprises around 500 staff, approximately 410 of them civilians and 90 military. Outside of the Melbourne area there are four LEA sites. We have Maribyrnong, Monegeetta and commercial sites at Laverton North and Bandiana North. That comprises my organisation, Prototype and Test Services, which has about 75 people altogether. The ELAF at Maribyrnong, which we are relocating, currently belongs to DELCS, which is one of the other organisations within LEA; it is being transferred to my organisation. The LEA comprises a number of divisions, of which Prototype and Test Services is one. The other divisions are mainly concerned with the high-level engineering side of things. They provide specifications for equipment and they deal with industry on the delivery of equipment. When the equipment gets delivered, we test it. It is a holistic systems engineering organisation within the Land Systems Division of the DMO. It delivers the whole of engineering services, including testing, out of the Victorian area.

Mr JENKINS—Why is LEA described as a business unit?

Mr Aitken—The DMO is essentially divided into business units. Inside Land Systems Division, for example, there are three business units—three branches. I guess the DMO's drive to look more businesslike and conduct itself as a businesslike organisation lends itself to using those sorts of terms. LEA's budgets are confined; they run like a business in terms of actuals to budget, performance management and all those sorts of things.

Mr JENKINS—If an organisation purports to be revenue producing, the committee is charged to investigate whether the project fits in with that. It strikes me that if there were efficiencies to be gained it would be of a positive nature for a business unit within an organisation. I take it that that was one of the considerations in looking at this overall project.

Mr Aitken—Absolutely. On the Maribyrnong site I have people spread all over six hectares. It is not efficient, it is not productive. They do a good job; they deliver what they need to deliver. But if I could put 50 people in one spot and have all the like facilities together, there are certainly gains in the amount of work we could do, the amount of testing we could do, the amount of reports we could put out. All our organisations are under pressure to perform at the moment, particularly with operational activities.

Mr JENKINS—You have led to the next question, which I am reluctant to ask a Thomastown lad. You are looking at the things that you are testing as to whether they are safe to use and fit for purpose. There has been some discussion in the press about those matters and in the sense of operational matters, and I think that it would be proper at this public hearing to give you an opportunity to respond to that, because this facility that we are looking at is integral to dealing with those matters.

Mr Aitken—The reason for the existence of these test facilities, as I explained in earlier presentations, is to deliver to the soldier equipment that is safe and fit for the purpose—that does the job that it is supposed to do. I will not quote the Chief of Army, but his view in the press is that our guys get good equipment; the soldier gets good equipment. Our contention is that we obviously agree with that. All the equipment goes through rigorous processes to deliver items into service that largely do their job. The recent press has been about guns, ammo and things like that in Afghanistan, Iraq and places like that. I guess all I can say is that I support the general's view that we deliver good equipment. At these facilities and the wider Land Engineering Agency, 500 people are absolutely focused on that. I guess I will leave it at that.

Mr JENKINS—As people would know, I am a several-arms-length viewer of matters to do with Defence, but there has been pressure on DMO over a period. I only ask this in the context that you talked about—rationalisation of organisations—to confirm that they are pretty settled now. We would be concerned if we were looking at a project and in the middle of the project we might see some other division, agency or whatever take one of the elements. On the surface, when we put everything together as it is today, no worries; we might just tick it off. I just have to get some sort of comment on where we are at.

Mr Aitken—I am not the highest level person in the DMO dealing with these issues—

Mr JENKINS—I appreciate that and, if you give me an answer based on that, I will understand.

Mr McGrath—Could I say this: we talked briefly this morning about the master plan for the site. I think it is fairly clear that Monegeetta—this site that we see here today, including the proving ground, which we did not look at—has a long-term future as part of the Defence Materiel Organisation’s capability to test and deliver equipment to the ADF in general but, in this case, Army in particular. I am certainly not aware, and Shane can confirm this, that there is any current prospect or plan to change what we do here at Monegeetta. I think your question, Mr Jenkins, is probably coming from the fact that we are asking you to endorse, if you like, a \$35 million project to build a building which should, theoretically, have something in the order of a 30-year life. You want some degree of confidence that we are not going to shut the door on it in 10 years time. Shane can perhaps answer this question, but our view at the moment is that this proposal will have a 30-year life, in rough figures, and IAD’s client will have a long-term need for it. I guess that is really what you are asking.

Mr JENKINS—Yes.

Mr Aitken—The LEA organisation, particularly the test arm of it, has been through a pretty rigorous review process over the last 10 years through the market-testing process and things like that. We are through to the other side of that, and I certainly hope that there is not another one of those coming on the horizon that I do not know about. There is certainly nothing on my desk or that I have heard about that lends itself to my thinking we are going to be reviewed again or downsized or any of those sorts of things. It is pretty solid capability now, and I think this project is one of the last links in bringing it all together.

Mr JENKINS—There is one loose end about Maribyrnong. I understand that there is an EDF facility at Maribyrnong now.

Mr Aitken—Yes.

Mr JENKINS—And it goes to Graytown, but they have the capacity to cover that there.

Mr Aitken—Yes. There is an EDF facility at Maribyrnong. It is fairly rudimentary. It is a brick building where we let off low-level explosive devices for particular purposes. In the consideration of the project it became very clear that we in fact do a lot of that work at Graytown now in the open air on their range and that we could do that and not spend money building another one here.

Mr JENKINS—Having forgotten who ‘they’ are, do you do it or do ‘they’ do it at Graytown?

Mr Aitken—Essentially, Graytown would set off the explosive and we would do the measurements. If we were measuring blastover pressure or—

Mr JENKINS—So you do not have to be holding hands at the site.

Mr Aitken—No.

Mr McGrath—To confirm that: in our evidence at paragraph 13, we stated that the EDF test capabilities will not be constructed at Monegeetta. They will in fact use the facilities at Graytown. That is certainly our intention.

Mr JENKINS—But, in an operational sense, it is not a problem at all?

Mr McGrath—No.

ACTING CHAIR—Your description of the estimated life of what you are going to be doing here is about 30 years. I know that no-one can forecast the future, but will the new project be able to adapt to future technology so that it represents value for money?

Mr McGrath—In very general terms, from new facilities which we build today you would expect to get a life of somewhere between 30 and 40 years. Obviously, within that building, the fit-out of an office space, as a typical example, might need to be refurbished and replaced et cetera.

ACTING CHAIR—Yes. I did not mean that. I meant the technology insofar as your core purpose goes.

Mr McGrath—One of the things that we do when we develop the designs for buildings like this is crystal ball as best we can. We are trying to strike a balance between overdesigning something as opposed to underdesigning something. We talk to our clients—like Mr Aitken, who has considerable technical understanding of the capability—and we go through what are loosely called ‘design reviews’ but, more particularly, what we specifically call ‘value management processes’ to work out the detailed design of particular parts of that building.

In this case, it is a fairly unique facility, as we discussed. It is important that we understand the potential uses for it and that we consider them when we are doing a detailed design. So the short answer to your question is that we try to build flexibility into these buildings. For example, we might build open truss type arrangements. In the room we are in you could put up partitions and you could pull them down without actually changing the structural capability. This new building is similar. Adam, you might help me with this in terms of the structural detail, but it is essentially, from memory, a portal frame structure.

Mr McDonald—Correct.

Mr McGrath—It has a fair amount of flexibility on the floor space so that you can reconfigure underneath the roof. That is one of the ways we respond to the long-term needs of a facility and to provide flexibility. You might recall we mentioned this morning that the new environmental type chambers need to be a bit bigger for the range of equipment. We have crystal-balled that and, in general terms, we think we are providing sufficient space to future proof ourselves. There will be flexibility in the building and the ability to extend it. Mr Tampi might be able to clarify further.

Mr Tampi—That is correct. We will be able to extend the lab to the north and the ELAF to the north-west corner, so we have allowed for flexibility.

Mr McGrath—We take that into account so that we can strike a balance between building for now and building for the future.

ACTING CHAIR—Yes. I am not really talking about the building as much as about explosives and the nitty-gritty of what you actually do here.

Mr Aitken—I have oversighted the design, I guess as the customer rep on design. We have looked at the Defence Capability Plan to see what items we will be testing down the track, and I am fairly confident that we have captured the key areas required for testing in the future.

ACTING CHAIR—That is good. I want to ask you about consultation with staff working at Maribyrnong in terms of their movement to Monegeetta. People live and work in all sorts of areas, often in far-flung locations. Will any assistance be given for either transport or relocation of staff?

Mr McGrath—I am very happy to say that we anticipated that question. Mr Aitken will again talk to the detail but we have certainly considered that. You might recall that, in broad terms, there are 25 people who will be relocated from Maribyrnong to this site. Having made that introduction I will now ask Mr Aitken to talk about the details.

Mr Aitken—We have sat down and talked to the staff about prospects. We have been talking about this relocation for a while now; it has been a long enough development process. Of the 25 staff, 17 have expressed a desire to move and, of the remaining eight, a number will retire in the interim. So we will put in place a strategy to perhaps employ people early in this local area, with the view that they will be working here.

Under the Defence employees certified agreement, there are provisions for the redeployment of people who do not want to move, to areas such as Victoria Barracks or the Defence Plaza, Melbourne, where, fortunately, we have the core of the LEA organisation to take the work. If they did not move, we would employ more people.

ACTING CHAIR—Is it fairly specialised work in that you would be looking for specialised technicians, or is it a range of occupations?

Mr Aitken—We have a small number of engineers and a larger number of technical officers who hold associate diploma/advanced diploma qualifications. Specialisation is more in the technologies, but it is not that specialised that we would struggle to get people. Our plan is to use all the people across all the test technologies here.

ACTING CHAIR—Thank you.

Mr JENKINS—That was all too smooth. I was looking for difficulties that might mean that Defence would fund a new lane on the ring-road or something like that to encourage people here, but that did not work so we are not doing too well. With regard to community consultation you seem to be motoring along and everything seems sweet and there have been no problems. What was the reaction of the local council?

Mr McGrath—I will start by answering that question. We have, as you are aware, normally run a series of consultation processes and we have consulted with local members in the area—at the federal level, the members for McEwen and Maribyrnong, and, at the state level, the member for Macedon and the member for the Western Metropolitan region. So both state and federal

levels have been advised of the project. We have talked to Councillor Helen Relph, the Mayor of Monegeetta. We have talked to the local Aboriginal association, and to the local landowners who are represented by the Wurundjeri Tribal Land and Compensation Cultural Heritage Council Inc. We have consulted with the Australian Greenhouse Office, with the manager of planning for the Macedon Ranges Shire Council, with the Country Fire Authority, with Western Water, PowerCorp, Elgas and a local engineering company called T Squared—I am not sure why we consulted with them, just off the top of my head, but we have.

So, in terms of our process, in general terms the project has been welcomed or where people had a particular interest in Defence moving people out here and building the new facility and new capabilities it has been welcomed. I would have to admit, though, I have to make this submission to you. We have consulted with both our neighbours, to the south and to the north. Mr Rea, who is our southern neighbour, was, I believe, very happy to hear about what we are doing here. In fact, in general terms, we considered our neighbours very important and Mr Aitken meets with the local community, but particularly the neighbours, both in a social sense and in a formal sense, on a regular basis; perhaps he could talk to that a bit more if you wished. Mr Allen, our neighbour to the north, unfortunately has been away, apparently, and we only consulted with him this week in a formal sense about the detail of the project. I think it was fair to say that he was disappointed that we left that meeting until the last minute. But, having said that, we have had a very good and cordial relationship with him for a long time. Whilst he has some questions which we will work hard to resolve with him, I do not think they are anything of any great concern to us or to him, and we will work with him to make sure that he is fully familiar with the detail of the project and that he is supportive of the project as well.

Mr JENKINS—I think it is sufficient that we note those comments and we wish you luck and that it all turns out well.

I am not going to raise any questions about the enclosed light armaments facility, because that is beyond me. From the plans, it sure looks better than the little weatherboard ranges that rifle clubs had on railway land, so that shows you how low a base I am starting from!

I want to speak about petrol, oils and lubricants, just to prove that I really now do know what a POL store is. Can you just explain this to me: everything seems to be put in barrels in the store; do we have underground tanks and things like that?

Mr McGrath—We do not have underground tanks. Perhaps Mr Aitken could explain lubricant types and arrangements we have here.

Mr Aitken—We currently have a small store here, but the new store will take into account everything that is in that small store here, plus everything that needs to be provided for the operations coming out of Maribyrnong. The quantities are not large. They are basic petrol, oils and lubricants. The current situation here is that we have underground tanks on this site already.

Mr McGrath—Sorry; when I made that statement a minute ago I was not aware that we did have underground tanks.

Mr Tampi—They are not in the new part.

Mr Aitken—There are existing tanks here which we use to support our vehicle trial. But they will not be servicing the new project and there are no new underground fuel tanks.

Mr JENKINS—And this tidies up the storage and tanks?

Mr Aitken—Yes.

Mr McGrath—The new POL store will, of course, meet all the usual standards for bunding and the various safety associated things that you do in environmental controls.

Mr JENKINS—If we go to the headquarters building modifications, you might just give us the paragraphs that you have given us earlier today about the necessity for those works.

Mr McGrath—I will ask Mr Tampi to talk you through the detail there because there is not a lot involved; it is, relatively, a very tiny part of the project. But the essential part of it, I understand, is to provide disabled access to the front door. As you probably realised as you came through today, there are five or six steps into what we call the guardhouse, so visitors who might be in wheelchairs or who are otherwise incapacitated cannot actually get into the guardroom. So theoretically they cannot come through and get their passes as mobile members of the public can. Essentially that is what that is about.

Mr Tampi—That is pretty much it. We will be adding a new ramp at the entrance, a disabled car park and an extension to the communications room.

Mr JENKINS—Going to the laboratory workshop in the administration building, which is the major part, we understand the specialised nature of the different parts of that. I was impressed with the thought that has gone into the environmental features. There was some comment made earlier that if there were need for extension it could be done to the workshop on the southern side or the northern side.

Mr Tampi—To the northern side.

Mr McGrath—Perhaps Adam could go to the drawing of the floor plan there on the wall. It might be easier to explain on the plan.

Mr McDonald—As we explained earlier this morning, the new building A is the main laboratory building. The current proposal allows for expansion to the north of the administration function and to the east to the communications electronics laboratory. The heavy industrial type facilities are a bit more difficult to expand, but these facilities here are more minor and can easily accommodate expansion into the future.

Mr JENKINS—It includes a stormwater facility that will go directly down to the testing pond. Is that right?

Mr Aitken—There are shallow and deep wading pools that we can fill, and a dam as well.

Mr JENKINS—The other aspect to do with water was the rain tanks that will be used internally in the buildings. You talked about consultation with the CFA; there is split mains water.

Mr McGrath—The current water reticulation system on the site is dual purpose. It provides potable water to the taps and various other things around the site but it also provides what is loosely called ‘fire services water’. If the fire brigade comes in and connects to a hydrant to fight a fire that system is there. It provides both. We are going to split the system so that we have a potable water supply for drinking purposes et cetera and a separate system for fire water supply. The CFA asked us if we could do that and, obviously, we said we would.

Mr JENKINS—What other matters or special considerations of a firefighting nature have had to go into the buildings or any elements of the project?

Mr McGrath—From a design perspective we are concerned about life safety, which is governed essentially by Building Code of Australia driven requirements, and we meet all those, but in the defence area—we have perhaps mentioned this to you before—we also have the defence manual of fire protection. We are a bit different from the normal civilian type construction. We are concerned about asset protection. We are going to use what is called a ‘very early’ smoke detection alarm system. You may have come across this in some of our projects that we have talked about before. If you are not familiar with it, it is a system that essentially sniffs the air for pre-ignition particles of combustion. It gives a very early warning, as the name implies, of potential fire. It is used a lot in computer type facilities, particularly in underfloor access systems. In that case, as soon as a cable gets hot and starts to smoulder, if you like, the system will pick up the particles of combustion in the air and set off a fire alarm. So our strategy here is to provide to the fire brigade a very early warning of a fire, essentially before the fire occurs, so they can get here and fight the fire. I hope that answers your question. There are the usual things—fire hydrants and various other things.

Mr JENKINS—Are we talking about a volunteer CFA brigade?

Mr Aitken—Yes, the local fire brigade is their volunteer brigade.

Mr McGrath—And it is located at—

Mr Aitken—Monegeetta.

Mr McGrath—Bear in mind that the fire system—and correct me if I am wrong here—is connected to our site office, which is manned 24 hours. So the first level of response would be the security guard going to see what has caused the fire alarm. The main concern for us is not during the hours when people are in the building, because they will probably see a fire quicker than any mechanical type system. It is after hours that is the concern.

Mr JENKINS—I take it there is still a need to have specialist consultation with the CFA.

Mr McGrath—Certainly.

Mr JENKINS—I have to ask one question about something technical that is written in your submission about energy efficiency. What is ‘separate digital on market status metering’ on page 6? It says:

Separate digital on market status metering will be installed and office lighting will not exceed 10 W/m².

Mr McGrath—Let me try and answer that from a general perspective. I will look for help if I cannot get this right. The supply meters in your house are ‘dumb meters’, essentially. When the markets were deregulated some time ago there was a general move afoot to what was called ‘intelligent metering’. Intelligent metering provides you with downloadable capability and various other things to provide you with what is going on both in terms of demand—the current demand of your system—and also the use of energy over a period of time. We are also looking at separate metering of each area of the building so that the intelligent metering will tell us what is being used in one particular room or another. In particular, in this case, where we have got such unusual laboratory areas, we can look at both the demand and the energy consumption. The demand part of it is pretty important, because there are a number of large pieces of equipment, as you have seen today, which use a lot of energy. We are interested to see where that energy is being used but more particularly what the peak demand is—not only the energy consumption but the demand at particular points in time. I hope that answers your question without going into too much technical detail.

Mr JENKINS—You have always got the opportunity, if you have not given us the right gen, to write to us. I will accept it; I will not hold you to it. That is fairly good. It is something I do not think I have really noticed before about the metering to get that type of information, which is probably important to put across.

Mr McGrath—In my previous job we had what I loosely call ‘dumb meters’ at the sites that I worked on—it was not as part of Defence; it was in previous deployment. When they went to deregulation, we were able to get from these new intelligent meters what was happening at any point in the day—any hour or any minute of the day—in terms of both energy demand and energy consumption. Part of the reason for that was that, because of the way the market deregulated, it was important to understand both your consumption and your demand characteristics—for instance, whether your demand was high in the night-time or high in the daytime, and that sort of thing.

Mr JENKINS—The bulk of the building and construction stuff is run of the mill and will give opportunities for the local players in the region. We have discussed the specialised nature of equipment and that you really cannot relocate that from Maribyrnong because you are going bigger because you are testing bigger equipment. Is stuff like the vibration platform and the specialised equipment likely to have to be sourced offshore or is that something that we would be able to supply from somewhere in Australia?

Mr McGrath—My understanding is that some of those bigger pieces of specialised equipment are actually not manufactured in Australia, at least normally. We would anticipate that the supply would be from overseas. We have done a lot of research into this in terms of the development phase of the project. Where we might get this equipment and what the cost will be is one of the issues we have been looking at. We have done what I would loosely call market testing with potential suppliers to see what is available both nationally and internationally and

whether, to take the vibration testing thing, it would be possible to source it in Australia or internationally.

Mr Aitken—In terms of the heavy vibration facility, there are really no designers of that equipment available in Australia, although some of the companies that do provide them have agencies in Australia will who provide ongoing support down the track. There are opportunities for local involvement there. There is a bit more EMC capability in Australia, but it would be more likely than not if it were being supplied by an Australian supplier that you would be buying components from overseas for that. The other facilities—the large climatic chamber and things like that—are really construction projects which are not particularly specialised and I expect they would probably be sourced in the head contract.

Mr McGrath—What are called the heat chambers—perhaps something which is a series of components—we would put together and we would explain to a constructor how that would be done, but the vibration table is a bit different.

Mr McDonald—I can explain the process that we have been through to date with the heavy vibration test facility. As we have noted, it is a very specialised piece of equipment and the local knowledge in designing and constructing that is fairly limited in the Australian market. That was identified fairly early on in the project. We employed a specialised consultant to work with the users to develop a brief as to what their exact requirements were. We then put that brief to the marketplace and sought expressions of interest and proposals from suitable qualified organisations that could supply that. We received four proposals, from organisations from the United States and locally, and they gave us an indicative cost based on that specification that we put to the marketplace. That is the cost data that we have fed into the project cost plan.

Mr McGrath—We will obviously test that again when we go to tender, but the short answer to your question is that there will be some parts of this—what are called specialised equipment items—which will be sourced within Australia and there will be some parts which will be sourced internationally.

ACTING CHAIR—I just have one last question and it is about the facilities that will be provided for staff. Apart from the Monegeetta General Store, which I observed on the way through, I gather that there are little other commercial facilities at Monegeetta. What arrangements will you be making about dining—a mess room, canteen facilities et cetera—for staff?

Mr Aitken—This site historically had a lot more people than it has now and had catering staff on site. This was a while back. There are only 25 people here now and essentially there is not much in the way of facilities here. You bring your own lunch. Apart from the odd infrequent barbecue and things like that—

ACTING CHAIR—And Public Works Committee events.

Mr McGrath—When you came through the front door, we did not take you around the corner to where there is what I will loosely call a staff common room. It is fairly modest, isn't it?

Mr Aitken—It is pretty modest. We are pretty much looking at the same arrangements for the staff who come up. There is a plan to provide inside the new building lunch facilities that will be much better than what we have got out here. Apart from that, there is not a canteen or catering facility—

ACTING CHAIR—No, but simply tea and coffee, bring your own lunch, a place to eat lunch—

Mr Aitken—That is what we have got.

Mr McGrath—With 50 people on the site it is not really big enough to even entertain a staff canteen which is catered for and all that sort of thing.

Mr JENKINS—Is space in this building going to be freed up?

Mr Aitken—Yes, the plan is to accommodate all the testing staff in the new building. As part of our operations we frequently get a lot of visitors. The LEA engineering staff come and work out here when there are trials on and there are contactors supporting the maintenance of vehicles and things like that. Our intention is that they will be housed in this building and the testing staff in the new building.

Mr JENKINS—One of the things that probably have not been emphasised is that this will provide some relief and better working conditions for people who are already here.

Mr Aitken—Absolutely. I have people dotted all over this site in accommodation that we will consolidate into the one area. That goes to the improvement of efficiency, the sharing of resources and things like that.

Mr JENKINS—How many people will be working out of building A?

Mr Aitken—Approximately 50.

Mr JENKINS—So the whole kit and caboodle?

Mr Aitken—Pretty much the whole testing capability will go in there.

Mr JENKINS—Is this the only existing building that will be affected then?

Mr Aitken—There is some accommodation in our workshop for a few people and there is some other accommodation in one of the other buildings.

Mr JENKINS—So it is the relocation of staff from Maribyrnong and it is the consolidation of the staff who operate here at Monegetta?

Mr Aitken—That is correct.

Mr JENKINS—Therefore, in the overall plan—I suppose I have to go a bit beyond just the visiting boffins—who will be using the existing structures that are freed up?

Mr Aitken—I will give you an example. We have recently finished the M113 testing program. On that program we had routinely six or seven people from the project office out of Land Systems Division—and there are LEA staff as well in that six or seven—and another six or seven people from Tenix on a daily basis here maintaining the vehicle for the trial. So that pretty much made this site bulge at the seams over that period. So this will give us relief to support those types of activities.

Mr McGrath—Which is a fairly consistent frequent type of activity.

Mr Aitken—Yes, we have been testing either Bushranger or M113 consistently over the last eight or nine years, so they are big programs. We are often running two shifts as well, so you have more people again.

Mr JENKINS—Just quickly for the public record, what is the difference in occupational health and safety for those who relocate at the end of the project compared to the current conditions?

Mr Aitken—The new facility is well designed. As I said, a lot of the old ones are of 1950s vintage. We have some maintenance issues. We had some issues with design in some of the test facilities. So there will be a very large improvement in their occupational health and safety environment.

ACTING CHAIR—I think that concludes our questioning. I would like to thank the witnesses who have appeared before the committee today and the private hearing earlier this morning.

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

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it and submissions presented at public hearing this day.

Committee adjourned at 12.14 pm