

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

Report 1/2017

Referrals made October/November 2016

*LAND 17 Phase 1B/1C ~ Australian Federal Police Security
Enhancement ~ JP500 Phase 2A Electronic Warfare Facility
~ Woomera Range Remediation Facilities*

Parliamentary Standing Committee on Public Works

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List of Recommendations

2 LAND 17 Phase 1B/1C

Recommendation 1

2.44 The Committee recommends that the Department of Defence continue to refine its community consultation process on the issue of per and poly-fluoro alkyl substance contamination at RAAF Base Williamtown and other locations where contamination could impact the local community.

Recommendation 2

2.68 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: LAND 17 Phase 1B/C – construction and upgrade of indirect fire support facilities.

3 Australian Federal Police Security Enhancement

Recommendation 3

3.32 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: Australian Federal Police Facility Security Enhancement Project.

4 JP500 Phase 2A – Electronic Warfare Facility

Recommendation 4

- 4.33 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: JP500 Phase 2A Project – electronic warfare operations support facility.

5 Woomera Range Remediation Facilities

Recommendation 5

- 5.28 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 works: Woomera Range Remediation Facilities Project.

1. Introduction

- 1.1 Under the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works is required to inquire into and report on public works referred to it through either house of Parliament. Referrals are generally made by the Assistant Minister for Productivity.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives receives that report and resolves that it is expedient to carry out the work.¹
- 1.3 Under the Act, a public work is a work proposed to be undertaken by the Commonwealth, or on behalf of the Commonwealth concerning:
 - the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures;
 - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures;
 - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures);

¹ The *Public Works Committee Act 1969* (The Act), Part III, Section 18(8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the Regulations.

- the demolition, destruction, dismantling or removal of buildings, plant and equipment, earthworks, and other structures;
 - the clearing of land and the development of land for use as urban land or otherwise; and
 - any other matter declared by the regulations to be a work.²
- 1.4 The Act requires that the Committee to consider and report on:
- the purpose of the work and its suitability for that purpose;
 - the need for, or the advisability of, carrying out the work;
 - whether the money to be expended on the work is being spent in the most cost effective manner;
 - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
 - the present and prospective public value of the work.³
- 1.5 The Committee pays attention to these and any other relevant factors when considering the proposed work.

Structure of the report

- 1.6 On Thursday 20 October 2016, the Minister for the Environment and Energy, The Hon Josh Frydenberg MP, on behalf of the Treasurer, The Hon Scott Morrison MP, referred the following projects to the Committee for consideration and report:
- LAND 17 Phase 1B/1C - Construction and upgrade of indirect fire support facilities; and
 - Australian Federal Police Facility Security Enhancement Project;
 - JP500 phase 2A - Electronic Warfare Operation Support Facility Project, South Australia;
 - Woomera Range Remediation Facilities Project.

² The Act, Section 5.

³ The Act, Section 17.

- 1.7 In considering the works, the Committee analysed the evidence presented by the proponent agency, submissions and evidence received at public and in-camera hearings.
- 1.8 In consideration of the need to report expeditiously as required by Section 17(1) of the Act, the Committee has only reported on significant issues of interest or concern.
- 1.9 The Committee appreciates, and fully considers, the input of the community to its inquiries. Those interested in the proposals considered in this report are encouraged to access the full inquiry proceedings available on the Committee's website.
- 1.10 Chapter 2 addresses the LAND 17 Phase 1B/1C - Construction and upgrade of indirect fire support facilities project. The estimated cost of the project is \$57.1 million, excluding GST.
- 1.11 Chapter 3 addresses the Australian Federal Police Facility Security Enhancement project. The estimated cost of the project is \$39.4 million, excluding GST.
- 1.12 Chapter 4 addresses the JP500 phase 2A - Electronic Warfare Operation Support Facility Project. The estimated cost of the project is \$24.91 million, excluding GST.
- 1.13 Chapter 5 addresses the Woomera Range Remediation Facilities Project. The estimated cost of the project is \$48.64 million, excluding GST.
- 1.14 Submissions are listed at Appendix A, and hearings and witnesses are listed at Appendix B.

2. LAND 17 Phase 1B/C

- 2.1 The Department of Defence (Defence) seeks approval from the Committee to proceed with the proposed LAND 17 Phase 1B/C infrastructure project, which aims to:
- Provide the infrastructure needed to support the introduction into service of a range of new ammunition, artillery command, fire control equipment and training systems acquired under LAND 17 Phase 1B/C; and
 - Increase the operational effectiveness of Australian Defence Force personnel through the introduction of modern equipment and more realistic training.¹
- 2.2 This project forms part of a wider Defence project, the LAND 17 Capability Project. LAND 17 aims to provide the Australian Defence Force (ADF) with a new suite of ammunition, artillery and fire control systems, through the introduction of the new M777A2 Lightweight Howitzer (LTH), and the facilities required to support its introduction and prepare the ADF to use it.²
- 2.3 Land 17 Phase 1A was referred to the Committee on 12 October 2011, with the Committee tabling its report on 14 February 2012.³ The works to be undertaken as part of LAND 17 Phase 1B/C are proposed to occur at eight locations around Australia:

¹ Department of Defence, *Submission 1*, p. 14.

² Department of Defence, *Submission 1*, p. 5.

³ Parliamentary Standing Committee on Public Works, *Report 1/2012*, Canberra, 2012.

- Gallipoli Barracks, Enoggera, Queensland;
- Lavarack Barracks, Townsville, Queensland;
- Robertson Barracks, Darwin, Northern Territory;
- Bridges Barracks, Puckapunyal, Victoria;
- Campbell Barracks, Perth, Western Australia;
- Holsworthy Barracks, Holsworthy, New South Wales;
- RAAF Base Williamtown, Williamtown, New South Wales; and
- Proof and Experimental Establishment (P&EE), Port Wakefield, South Australia.⁴

2.4 The proposal was referred to the Committee on 20 October 2016.

Conduct of the inquiry

2.5 Following referral, the inquiry was publicised on the Committee web page, and via a media release.

2.6 The Committee received three submissions to the inquiry, and four supplementary submissions, three of which were confidential and detailed the project costs. A list of submissions can be found at Appendix A.

2.7 The Committee received a briefing from Defence and conducted public and in camera hearings on 25 November 2016. A transcript of the public hearing is available on the Committee web page.

Need for the works

2.8 Defence submitted that the introduction of the new M777A2s impacts how existing units are supported to maintain, sustain and train in the use of the M777A2s. According to Defence, Phase 1B/C of LAND 17 addressed those deficiencies in existing training, sustainment and maintenance:

- Sustainment. The new M777A2 capability is supported by a new vehicle fleet and associated equipment. The new LAND 121 vehicle fleet is required to be

⁴ Department of Defence, *Submission 1*, pp. 7-8.

operated and stored in locations to support the manoeuvre of the new M777A2 capability. As such, vehicle shelters for storage and hardstand for movements are deficient in some locations.

- Maintenance. The new M777A2 capability is required to be maintained in a different manner to that of the replaced system. Accordingly, maintenance locations and arrangements for storing spare parts are inadequate in some locations.
- Train. Simulation is a key component to allow all ADP units to train in the most effective and efficient manner. Continuing advances in technology have seen a surge in the effectiveness of simulation to augment field training which is incrementally more expensive, inefficient and difficult to achieve based on unit proximity to available ranges. A simulation system is required to further enhance this capability and, as such, a dedicated facility for ADF units does not exist.⁵

2.9 Given that the ADF has not been required to deploy artillery since the end of Australia's involvement in the Vietnam War in 1972, Defence discussed the need to maintain such a capability, stating that artillery is an important component of force protection. That is, it enables the ADF's land forces to maintain an independent capacity to direct fire on a particular location without needing to rely on either the Navy or Air Force.⁶

2.10 When questioned on the need for simulation facilities at the public hearing, Defence stated that the simulation capability trains the ADF's land forces to coordinate long range fire across Army, Navy and Air Force, as well as allowing ADF personnel to coordinate long range fire with Australia's allies while conducting operations together.⁷

2.11 When the Committee reviewed Phase 1A of the LAND 17 capability project in 2011-2012, it was not anticipated that Phase 1B would be the subject of scrutiny by the Committee.⁸

⁵ Department of Defence, *Submission 1*, pp. 6-7.

⁶ Colonel Joanne Whittaker, Director, Combat Support Program, Department of Defence, *Transcript of evidence*, 25 November 2016, p. 6.

⁷ Colonel Joanne Whittaker, Director, Combat Support Program, Department of Defence, *Transcript of evidence*, 25 November 2016, p. 7.

⁸ Parliamentary Standing Committee on Public Works, *Report 1/2012*, Canberra, 2012, p. 39.

2.12 When questioned on why it had subsequently been necessary to refer Phase 1B to the Committee for inquiry, Defence stated that:

Ultimately, for Phase 1B, when the Committee last considered this project for the digital terminal control systems (DTCS) aspects of it in 2011, at that stage there was a very immature appreciation of what the simulation facilities would be. Subsequent to the Committee hearing this in 2011, the materiel solution for the simulation facilities has matured to the extent that we now have it. As part of the employment of the DTCS in line with the proposed simulation facilities, it has matured to the stage where we actually do require facilities to support Phase 1B and the DTCS.⁹

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

Scope of the works

2.14 The proposed scope of the works is detailed in Submission 1: Defence.

2.15 The proposed works to be undertaken encompass four types of infrastructure. These are:

- Joint Fires Observers (JFO)/Joint Terminal Attack Controller (JTAC) Simulator Facility. This facility will accommodate the JFO/JTAC simulator equipment. The facility will consist of a purpose designed simulator room with associated control room, storage spaces, services areas, class room, kitchenette and ablutions.
- Upgraded and new Repair Parts Stores (RPS). RPS will allow the Army units to accommodate the additional stores being provided under LAND 17 Phase 1B/C that will be controlled by RPS personnel.
- Shelters. Shelters will allow for the storage of new equipment such vehicles, LTH, ammunition modules and their associated stores.
- Hardstand. Hardstand will allow for heavy trailers, vehicle flat racks and associated circulation area to support vehicle and equipment movement.¹⁰

⁹ Brigadier Noel Beutel, Department of Defence, *Transcript of evidence*, 25 November 2016, p. 2.

¹⁰ Department of Defence, *Submission 1*, p. 7; Brigadier Noel Beutel, Department of Defence, *Transcript of evidence*, 25 November 2016, p. 1.

2.16 The proposed works are intended to be delivered using a mix of new construction and refurbished facilities. Defence outlined the proposed works that would be undertaken at the eight locations:

- Gallipoli Barracks:
 - JFO/JTAC simulator facility;
 - RPS facility with areas for administration, pallet breakdown, storage, ablution, and ammunition shelter;
 - Hardstand for flat racks to be stored and loaded/unloaded from Integrated Land Handling System (ILHS) vehicles; and
 - Cages for secure storage of vehicle equipment.

- Lavarack Barracks:
 - JFO/JTAC simulator facility;
 - RPS facility with areas for administration, pallet breakdown, and storage;
 - Shelters for Protected Mobility Vehicles (PMV);
 - Shelter for ammunition module storage; and
 - Hardstand for trailers, flat racks and vehicle circulation.

- Robertson Barracks:
 - JFO/JTAC simulator facility;
 - RPS facility with areas for administration, pallet breakdown and storage;
 - Shelter for ILHS vehicles, LTH and ammunition storage module; and
 - Hardstand for trailers, flat racks and vehicle circulation.

- Bridges Barracks:
 - JFO/JTAC simulator facility;
 - Shelter for ILHS vehicles and ammunition storage module;
 - Hardstand for trailers, flat racks and vehicle circulation;
 - A replacement open training shelter; and
 - Enlarged cages for LHT-related equipment storage.

- Campbell Barracks: a JFO/JTAC simulator facility.
- Holsworthy Barracks: a JFO/JTAC simulator facility.
- RAAF Base Williamtown: a JFO/JTAC simulator facility.
- [Port Wakefield]: a gun shelter designed to accommodate an LTH.¹¹

2.17 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Cost of the works

2.18 The total out-turned cost for this project is estimated at \$57.1 million, excluding GST, which includes the cost of construction, management and design fees, furniture, information communications technology, fitting and equipment, contingencies and an escalation allowance.¹²

2.19 The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with Defence on the project costs.

2.20 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent agency.

Project issues

Contamination

2.21 During the inquiry, the Committee received a submission from Ms Meryl Swanson MP, Member for Paterson, focused on the potential for contamination issues at RAAF Base Williamtown.

2.22 Ms Swanson raised the potential impact of per and poly-fluoro alkyl substances (PFAS) contamination arising from the use of firefighting foam in and around RAAF Base Williamtown. In particular, Ms Swanson noted that:

¹¹ Department of Defence, *Submission 1*, pp. 16-18.

¹² Department of Defence, *Submission 1*, p. 24.

Despite Defence efforts, there is considerable distrust in the community about the length of time taken for investigations since the announcement of contamination, and the delay in making information public, both before and after the contamination was announced.¹³

- 2.23 Furthermore, Ms Swanson stated that the potential for PFAS contamination had significantly impacted some of her constituents:

Despite health warnings that focused on the ingestion pathways of contaminated water and soil, the community is now calling for air testing, as blood testing of residents has shown elevated levels of PFAS even in people who have taken the strictest precautions.

There has also been a documented drop in property values in the area, with advice from the New South Wales Valuer General to residents that the land values have been reduced by 15 per cent in the past year. Port Stephens Council notified that it had adjusted rates accordingly.¹⁴

- 2.24 While not supportive of calls to halt any future development at RAAF Base Williamtown until the PFAS contamination has been stopped, Ms Swanson stated:

I would seek to make sure the expansion of the base does not exacerbate the leaching of PFAS from the base, and that earthworks do not contribute to dust pollution.¹⁵

- 2.25 Ms Swanson also expressed concern about the impact of PFAS on the health employees and contractors involved in the proposed works at RAAF Base Williamtown, saying:

I would seek to ensure that employees and contractors on the base are not adversely affected by PFAS contamination. I would urge they be made fully aware of the health risks, and be protected as best they can from exposure. I would urge that PFAS blood testing of employees and contractors take place,

¹³ Ms Meryl Swanson MP, *Submission 2*, p. 2.

¹⁴ Ms Meryl Swanson MP, *Submission 2*, p. 2.

¹⁵ Ms Meryl Swanson MP, *Submission 2*, p. 3.

and that air monitoring take place on the base as part of a broader air monitoring program in the area.¹⁶

2.26 At the public hearing, Defence detailed the contamination assessment undertaken for this project:

In relation to contamination, as part of all our projects in development, we undertake contamination assessments, so this was done for this project across all sites. The approach to those assessments is that there was a review and study done of Defence's existing contaminated sites register, which is also available to the public. We looked at the standing or existing consultant reports into contamination, and we also undertook borehole sampling across all the sites. For the contaminants, it was not just PFAS, although that is a critical aspect of contamination and a particularly contemporary issue. We also check for heavy metals, hydrocarbons, asbestos and polychlorinated biphenyls.¹⁷

2.27 Defence told the Committee that the results of the contamination assessment found that PFAS contamination of the groundwater at RAAF Williamtown was below the acceptable levels set out in Defence Contamination Directive No. 8.¹⁸

2.28 The relatively low levels of PFAS contamination notwithstanding, Defence told the Committee that:

For each of those projects – and for all the projects that we do – contamination management plans will be developed as part of the construction environmental management plan, which is a responsibility of the contractor. I note for this project that, because of the procurement methodology and because we still do not have parliamentary approval, we do not have a head contractor identified, but as part of the contract requirements, the successful

¹⁶ Ms Meryl Swanson MP, *Submission 2*, p. 4.

¹⁷ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 4.

¹⁸ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 4; Department of Defence, *Defence Contamination Directive #8*, September 2016, <<http://www.defence.gov.au/estatemangement/governance/Policy/Environment/Contamination/Toolbox.asp>>, accessed 27 January 2017.

contractor will be required to develop a construction environment management plan.¹⁹

2.29 Defence explained the key features of these contamination management plans:

The key part of those contamination management plans will be that there will have to be a sampling and analysis plan in place before any works are conducted on the sites to confirm or deny the presence of any of those contaminants. If we find PFAS contaminated soil and it is below Defence Contamination Directive No. 8 residential criteria, we are allowed to reuse on site if we have a requirement for additional fill material to be used elsewhere on site; or, subject to a specific state environmental protection agency requirement, we can apply to have that material taken off site to be stored and/or treated at a licensed facility. The requirements for that, though, are very different in each of the states with what the environmental protection authorities require of us to get approval to do that. If the material is above residential criteria, we will stockpile the material on site. It will be encapsulated and controlled, particularly for things like leachates. So, if we have PFAS contaminated material in the stockpile, it will be covered from the top to ensure that any rain that comes in does not leach through that, pick up the PFAS contaminants and put it into the ground. There will be a leachate control on the bottom of that stockpiled material. The intention is that they are not permanent stockpiles; they are semi-permanent stockpiles and, at some stage, through Defence's new PFAS task force, which is investigating how to remediate contaminated material, once a solution is found for that, the intention is that that will be remediated off base.²⁰

2.30 In the case of water contamination, Defence told the Committee:

In accordance with the Defence Contamination Directive No. 8, if we find water that is [meets the criteria] and we have to de-water on a construction site, or with the management of stormwater, there is not additional requirement for that. However, if we find PFAS contamination in water above the safe drinking water criteria, then it is either stored and then transport off site, depending upon the volume of the water, or removed off site to a licensed facility, or we will capture it, treat the water and reinject it in the environment. We are doing exactly that at the New Air Combat Capability Facilities Project

¹⁹ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 4.

²⁰ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 4.

at RAAF Base Williamtown, where we have two large-sized water treatment plants on site, basically because of the amount of de-watering that we are having to do for the construction.²¹

2.31 In light of the community's frustration with 'what they perceive to be Defence's inability to just stop the contamination', Defence told the Committee that the 'government is absolutely committed to identifying where contamination has occurred', and is 'working with experts both in Australia and internationally and with the communities to identify ways to manage and contain that contamination'.²²

2.32 Defence outlined some of the broader efforts to effectively address PFAS contamination:

Cognisant of all those frustrations and concerns from the community, Defence has established a PFAS task force to manage or commence a national program to review the estate and investigate and implement a comprehensive approach to manage the impacts resulting from the use of the legacy firefighting foam containing PFAS. Those investigations are evidence based, and they are going to be carried out in accordance with the National Environment Protection (Assessment of Site Contamination) Measure by expert and independent environmental consultants.²³

2.33 In addition to these initiatives, Defence noted that it was also engaged in inter-departmental efforts to investigate the extent and impact of PFAS contamination:

Defence is also actively engaged at the moment in an interdepartmental government committee led by the Department of Health, which has been established to examine this issue at the federal level. The government is also investing \$55 million from the existing Defence budget to look to manage, contain and remediate PFAS contamination at those Defence bases. This includes a voluntary blood-testing program for residents living in the investigation areas at Williamtown and Oakey. Also, an epidemiological study that will look at potential patterns causing the health effects in communities exposed to the elevated levels of PFAS is being undertaken. Dedicated mental

²¹ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 4.

²² Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 5.

²³ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 5.

health and counselling services in affected communities are being established, and the appointment of dedicated community liaison officers at Williamtown and Oakey is also being established.

2.34 Ms Swanson also raised the issue of consultation in relation to contamination at RAAF Base Williamtown. Ms Swanson stated:

I would seek to ensure that key stakeholders are kept fully informed about works on the base and any impact. While the New South Wales Department of Premier and Cabinet did set up an Elected Representatives Group (ERG) in regard to the PFAS contamination issue, involving state and federal elected members and state and federal departments, these meetings have often been unable to answer questions we have asked, and been organised at difficult times including parliamentary sitting days.²⁴

2.35 Additionally, Ms Swanson argued that better communication with the community was required 'given the level of distrust that is currently felt'. Ms Swanson stated that:

A Community Reference Group was set up, similar to the ERG mentioned above, and members expressed to me their frustration at not having questions answered fully and promptly.²⁵

2.36 Ms Swanson concluded that an 'improved process' was required for the proposed works as RAAF Base Williamtown, 'especially as the community will consider this work will likely impact the PFAS contamination'.²⁶

2.37 Defence told the Committee that it has been making efforts towards engaging with the Williamtown community on the issue of contamination, and on proposed construction more generally. Specifically, Defence told the Committee it has:

- attended community reference group meetings at Williamtown to provide information on projects at the base;
- established an epidemiological study into the health effects on communities exposed to elevated levels of PFAS;

²⁴ Ms Meryl Swanson MP, *Submission 2*, p. 3

²⁵ Ms Meryl Swanson MP, *Submission 2*, p. 3

²⁶ Ms Meryl Swanson MP, *Submission 2*, p. 3

- committed to establishing dedicated counselling services for affected communities like Williamtown; and
- undertaken to appoint a community liaison officer for Williamtown.²⁷

Committee comment

- 2.38 The Committee considers its role in scrutinising the effect proposed works have on existing contamination issues very seriously. It is clear that the issues relating to contamination that were raised by Ms Swanson have had a detrimental impact on the Williamtown community, and it is only natural there would be concerns about construction potentially exacerbating pre-existing contamination.
- 2.39 Defence provided the Committee with a satisfactory explanation of how contamination issues will be managed. The Committee is pleased that Defence have general directives in place with regard to contamination, and that it also has a PFAS specific initiative in place in conjunction with the Department of Health. The Committee considers it appropriate that this initiative focuses on the potential health impacts on local residents at Williamtown and provides support for the mental health effects of the contamination, as well as the physical health effects.
- 2.40 In addition to these general efforts by Defence to deal with the contamination at the sites of the proposed works, the Committee notes that contamination management plans will form part of the environmental management plans put in place by the head contractor. The Committee is satisfied that this is a robust method of managing site contamination, given that the need for these plans forms a part of the contract requirements.
- 2.41 Not only does this evidence demonstrate a clear desire to prevent further contamination, it also demonstrates that Defence has taken steps at multiple levels to prevent construction exacerbating existing contamination issues. Directives exist at the national level that apply to all Defence facilities, specific initiatives are pursued – across government departments where necessary – in relation to specific types of contaminants, and environmental management plans form part of the requirements for contractors issued with the request for tender for LAND 17 Phase 1B/C in particular.

²⁷ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 5.

- 2.42 Based on the evidence presented by Defence, the Committee is satisfied that Defence is cognisant of the potential for construction works to worsen existing PFAS contamination at the proposed work sites at RAAF Base Williamtown, Puckapunyal and Lavarack Barracks. Indeed, the Committee is of the view that Defence has been proactive in determining the extent of contamination not only of PFAS, but a range of other potential contaminants before tender documents were issued. The evidence presented by Defence indicates that a wide-ranging approach to containing the impact of contamination is in place, and that the safety and health of Defence personnel and local residents is the key aim of these efforts.
- 2.43 However, it is clear from the evidence presented by Ms Swanson that the residents living near RAAF Base Williamtown are not satisfied with Defence's efforts at community consultation on the issue of PFAS contamination. While the Committee acknowledges Defence on the progress it has made in improving its consultation process on this issue, feedback from the community makes it clear that further refinement is necessary.

Recommendation 1

- 2.44 The Committee recommends that the Department of Defence continue to refine its community consultation process on the issue of per and poly-fluoro alkyl substance contamination at RAAF Base Williamtown and other locations where contamination could impact the local community.**

Traffic concerns

- 2.45 During the Committee's review of Phase 1A of LAND 17, traffic in the areas surrounding Gallipoli Barracks at Enoggera was one of the key issues examined.²⁸
- 2.46 During that inquiry, the Committee found that local residents felt considerable frustration and distress as a result of the impact of traffic from Gallipoli Barracks flowing through residential streets.²⁹

²⁸ Parliamentary Standing Committee on Public Works, *Report 1/2012*, Canberra, 2012, pp. 47-53.

²⁹ Parliamentary Standing Committee on Public Works, *Report 1/2012*, Canberra, 2012, p. 52.

2.47 With regard to construction-related traffic, Defence told the Committee the number of large vehicles entering the base to deliver construction materials will increase, but that steps will be taken to mitigate its impact on nearby residents.³⁰ In addition, Defence noted:

Prior to construction commencing, Defence will hold community consultation sessions as required to articulate the proposed site and traffic management procedures. This will allow the community to provide feedback on any issues regarding perceived impact by the construction.³¹

2.48 The consultation session for LAND 17 Phase1B/C Gallipoli Barracks took place on 9 November 2016, and was attended by 30 local residents. One of the issues raised was the impact the proposed construction would have on traffic in surrounding areas.³²

2.49 In a submission to this inquiry, Ms Mary Harbeck, President of the Gallipoli Precinct Action Group (GPAG) stated:

While it is evident that effort has been made by Defence to address a number of issues since the appointment of the Community Liaison Officer, there has been no real resolution. It is the GPAG Committee's concern that once the PWC avert their eyes from Gallipoli Barracks the old familiar habits of unresponsiveness to voiced concerns will return.³³

2.50 In regard to construction-related traffic, Ms Harbeck told the Committee that Defence's submission had not 'considered the impact that noise, dust and fumes associated with construction' would have on local residents. Further, Ms Harbeck stated:

Noise is particularly problematic when heavy vehicles wait on the residential street or in the entry lanes to the base close to residential housing, leaving their engines running as passes are secured and directions received.³⁴

³⁰ Department of Defence, *Submission 1*, p. 19.

³¹ Department of Defence, *Submission 1*, p. 19.

³² Department of Defence, *Submission 1.1*, Annex E.

³³ GPAG, *Submission 3*, p. 4.

³⁴ GPAG, *Submission 3*, p. 2.

2.51 Ms Harbeck and GPAG also expressed concern about the lack of a site manager for another project currently being undertaken at Gallipoli Barracks, and that the project contact was via email. Ms Harbeck questioned how issues could be addressed immediately in these circumstances, and stated her expectation that LAND 17 would be dealt with in the same way.³⁵

2.52 When questioned on the appointment of a site manager, Defence told the Committee that while there was no site manager at present:

Once we have a contractor on site, there will be a point of contact for that contractor. But at the moment the lines of communication from the community into anything to do with the base have already been established, and those are through the community liaison officer, a reservist colonel who works directly to the commander of the 7th Brigade as a senior ADF officer. The community has contact details, both inside and outside standard hours, for that base liaison officer to address any concerns that the community may have.³⁶

2.53 While Ms Harbeck stated that GPAG ‘applauded the appointment of a community liaison officer’, the concerns of local residents have not been resolved.³⁷

2.54 Ms Harbeck noted that a range of traffic control mechanisms were in place for Gallipoli Barracks, including Defence traffic management plans, base standing orders, and Brisbane City Council traffic directives. Nonetheless, Ms Harbeck told the Committee that ‘the issue for residents is non-compliance’ by personnel at Gallipoli Barracks with the various mechanisms in place.³⁸

2.55 In regard to this non-compliance, Mr Harbeck stated:

Disappointingly the main perpetrators are ADF personnel. This belligerent attitude is also reflected in other inappropriate behaviour witnessed by the local community – aggressive driving, speeding, verbal abuse, drunken and

³⁵ Gallipoli Precinct Action Group, *Submission 3*, p. 2.

³⁶ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 6.

³⁷ Gallipoli Precinct Action Group, *Submission 3*, p. 1.

³⁸ GPAG, *Submission 3*, p. 3.

lewd behaviour, and the continued attempts to smuggle persons into Gallipoli Barracks via the boots or cargo areas of private vehicles.³⁹

- 2.56 Defence told the Committee that the management of traffic issues relating to construction will form part of the contractual requirements of the contractor:

In addition to the construction environmental management plans, with the safety plans there will be a traffic management plans that will have to be prepared by the contractor. That has to be approved by Defence through [the] project team. [The] project team will coordinate with the base at Enoggera Barracks through both the senior ADF officer, who is the commander of the 7th combat brigade, and the base service manager.⁴⁰

- 2.57 Additionally, Defence reported that an additional gate had been established on Samford Road, adjacent to Gallipoli Barracks, which commenced operation in June 2015. According to Defence, this provides ‘an additional control measure for the base to assist in how we manage the traffic’.⁴¹

- 2.58 Nonetheless, Defence acknowledged the ongoing concerns voiced by GPAG, and told the Committee that:

In addition to the establishment of the Samford Road gate, there is also ongoing assessment and consultation with the community in relation to the management of opening times of the various gates that we have around Enoggera to try to find the best balance of how we manage traffic coming into and out of the base.⁴²

Committee comment

- 2.59 The impact traffic at Gallipoli Barracks has on the local community is a longstanding issue, and has been considered by the Committee in relation to a number of Defence projects. It was raised in 2009 during the Committee’s consideration of the Enhanced Land Force 2 project, in 2012 during the

³⁹ GPAG, *Submission 3*, p. 4.

⁴⁰ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, pp. 5-6.

⁴¹ Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 6.

⁴² Brigadier Noel Beutel, Department of Defence, *Transcript of Evidence*, 25 November 2016, p. 6.

inquiry into LAND 17 Phase 1A, and in 2013 during the inquiry into the redevelopment of Defence housing at Samford Road.⁴³

- 2.60 The impact construction has on local communities is an important facet of the Committee's consideration of proposed public works projects. The Committee therefore acknowledges the frustration felt by the community around Gallipoli Barracks over the perceived lack of action by Defence over traffic issues since previous instances where this issue was raised with the Committee.
- 2.61 The Committee notes that some of the concerns raised by Ms Harbeck relate directly to proposed construction at Gallipoli Barracks. It is encouraging to note that Defence has taken steps to directly address the concerns relating to construction traffic, and that it intends to take further steps once it is able to go to tender. The Committee also hopes that ongoing community consultation by Defence will ease the concerns of local residents.
- 2.62 The Committee is less encouraged by Ms Harbeck's evidence that the traffic management mechanisms currently in place are often not adhered to by personnel entering and leaving the base. It is the Committee's view that it is not sufficient for Defence to simply approve the traffic management plan developed by the contractors. Once Defence has approved the contractor's traffic management plan, Defence needs to take steps to actively monitor the extent to which the plan is observed, and take concrete action against non-compliant drivers when it is not.
- 2.63 Some of the traffic concerns raised by Ms Harbeck do not relate to the proposed construction, in particular the aggressive driving and other forms of inappropriate and in some cases potentially illegal behaviour. While such behaviour by ADF personnel is disappointing and certainly requires addressing as a matter of priority, it is unrelated to the proposed construction works currently under consideration and therefore beyond the scope of this inquiry.
- 2.64 Nonetheless, the Committee would encourage Defence to consult with the Queensland Police to ensure that any staff or contractors who have breached

⁴³ Parliamentary Standing Committee on Public Works, *Report 1/2012* and *Report 7/2009: Referrals made August to October 2009*.

either base standing orders or Queensland traffic laws in the vicinity of the base are brought to the attention of Defence so that action may be taken. The Committee made similar comments in regard to traffic management at Gallipoli Barracks in 2012.⁴⁴

- 2.65 The Committee urges Defence to continue working towards addressing this issue and ensuring compliance with the various traffic control mechanisms already in place. Furthermore, the Committee encourages Defence to consider establishing education programs for personnel working at Gallipoli Barracks, to ensure that the base population is better informed about the need to comply traffic control mechanisms in place, the impact that non-compliance can have on the local community and the reputational effects this can have for Defence.

Final Committee comment

- 2.66 Based on both the public and confidential material Defence provided, the Committee is satisfied that the project has merit in terms of need, scope and cost.
- 2.67 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 for purpose, having regard to the established need.

Recommendation 2

- 2.68 **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: LAND 17 Phase 1B/C – construction and upgrade of indirect fire support facilities.**
- 2.69 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 project completion. A report template can be found on the Committee's website.

⁴⁴ Parliamentary Standing Committee on Public Works, *Report 1/2012*, p. 53.

3. Australian Federal Police Security Enhancement

- 3.1 The Australian Federal Police (AFP) seeks approval from the Committee to improve security and upgrade system capabilities at eight different AFP premises around Australia.
- 3.2 The estimated cost of the project is \$39.4 million (excluding GST).
- 3.3 The project was referred to the Committee on 20 October 2016.

Conduct of the inquiry

- 3.4 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 3.5 The Committee received one submission and one confidential submission from the AFP. A list of submissions can be found at Appendix A.
- 3.6 The Committee received a briefing from the AFP and conducted public and in-camera hearings on 25 November 2016. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.

Need for the works

- 3.7 In its submission, the AFP explained the current role of its property portfolio:

The AFP's national property portfolio is a key enabler to the AFP's capabilities, enhancing AFP's readiness, capacity and ability to carry out organisational responsibilities for law enforcement, investigations and national security. Providing secure facilities is a critical component of property being an enabler for the AFP to deliver its services at the level expected by the Australian Government.¹

- 3.8 The AFP stated that the proposed works are a product of the current heightened security threat context:

A recent vulnerability assessment determined that AFP facilities require strengthening to reduce the threat of unauthorised pedestrian and vehicular access, reduce the potential for Improvised Explosive Device (IED) attack, and improve systems to respond to security incidents on its premises.²

- 3.9 At the public hearing, the AFP elaborated on the threat environment and the need for the works:

The rationale behind this proposal is a change to the threat environment, with the national threat level raised to 'high' in September 2014, meaning that an attack is assessed as likely. Because of its role, members of the AFP are particularly at risk. Uniformed police and police employees entering or leaving a police establishment are readily identifiable. It is also assessed that the principal terrorist threat is from a spontaneous or opportunistic low-capability attacks by a lone actor or small group.³

- 3.10 The AFP told the Committee about the types of attacks the proposed works are designed to prevent:

¹ Australian Federal Police, *Submission 1*, p. 4.

² Australian Federal Police, *Submission 1*, p. 5.

³ Mr Ramzi Jabbour, Deputy Commissioner Capability, Australian Federal Police, *Transcript of evidence*, 25 November 2016, p. 1.

The sorts of terrorist attack that can present a threat comprise a range, such as armed assaults, including gun or edged weapons – that is, knives – inclusive of hostage taking and active shooter scenarios; vehicle attacks, whereby the vehicle itself is used as a weapon; improvised explosive devices (IED), which could be vehicle borne, person borne or simply placed in situ; a combination of all of the above; or indeed the use of technologies in attack planning and delivery, such as the use of drones. This is a major shift that necessitates that the AFP better apply and integrate its protective security layers to ensure early detection and a rapid and coordinated response.⁴

3.11 In its submission, the AFP noted that there had been four attacks on police stations between October 2015 and August 2016 alone:

- 2 October 2015 – A police worker was shot dead outside the Parramatta Headquarters of the New South Wales Police;
- 30 June 2016 – A man drove a car into the front door of the Mudgeeraba Police Station;
- 22 July 2016 – A man attempted to set off an IED and self-immolated before driving his car into the basement garage door of the Merrylands Police Station; and
- 4 August 2016 – A man rammed his car into the front doors of the South Australian Police Headquarters building.⁵

3.12 The safety of AFP employees and officers was a key component of the justification for the proposed works. According to the AFP:

The AFP has a legislative duty of care under the *Occupational Health and Safety Act 1991*. It places legal obligations on management and employees and requires agencies to take all reasonable steps to protect the health and safety welfare of employees by providing and maintaining a safe working environment, including safe work practices. In the current threat environment, AFP senior management assesses that the measures contained within this proposal are absolutely necessary to allow the AFP to establish a safer and secure working environment for its staff.⁶

⁴ Mr Ramzi Jabbour, Deputy Commissioner Capability, Australian Federal Police, *Transcript of evidence*, 25 November 2016, p. 1.

⁵ Australian Federal Police, *Submission 1*, p. 4.

⁶ Mr Ramzi Jabbour, Deputy Commissioner Capability, Australian Federal Police, *Transcript of evidence*, 25 November 2016, p. 1.

3.13 The AFP told the Committee about the sites selected for security upgrades:

The vulnerability assessment identified that there were a number of sites that were considered a priority (generally larger AFP locations). The sites assessed as being the highest priority, and proposed to be included in the project, are:

- Canberra – National Headquarters – Edmund Barton Building
- Canberra – Barton Police College;
- Canberra – Majura Complex;
- Sydney – NSW State Headquarters;
- Melbourne – Victorian State Headquarters;
- Perth – WA State headquarters;
- Brisbane Airport Office; and
- Adelaide Airport Office.⁷

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

Scope of the works

3.15 The AFP's submission outlines the project objectives, which are to:

- provide maximum security improvements for the project budget to:
 - reduce the ability for threat entities to gain unauthorised access, and improve deter and delay controls;
 - reduce the scale of harm that may be caused from an armed offender and IED attack; and
 - improve the system capabilities to monitor, control and respond to intruders.
- Complete the project by December 2017;
- Deliver the project so that completed works are fit for purpose; functional; and integrated into the existing systems in an efficient manner;
- Minimise disruption to the AFP's ongoing operations during the construction works; and

⁷ Australian Federal Police, *Submission 1*, p. 6.

- Ensure no work lowers the National Australian Built Environment Rating System of Green Star ratings in any of the facilities.

3.16 According to the AFP, the following five concepts informed the scope of the proposed works:

- Strengthening ground floors for intruder resistance including providing two layer security at the ground floor;
- Strengthening the upper floors to prevent intruder movement between the floors and improving control of the lock down capability to monitor and react to an intruder;
- Strengthening vehicle building entrances to improve monitoring and control of vehicle access;
- Protecting building from vehicle attack and increasing stand-off distance; and
- Improved monitoring and control and providing greater reliability for the security systems.⁸

3.17 The AFP stated that the vulnerability assessment informed the scope of the proposed works for each of the eight sites, but due to security considerations only certain elements of the proposed works could be detailed in the AFP's public submission. The elements set out in the public submission are:

- Canberra – National headquarters. Works to be undertaken in new main entry foyer to provide two layer security and control access to the inner courtyard;
- Canberra – Barton College. Works to be undertaken in the new main foyer to provide two layer security and a proposed external fence;
- Canberra – Majura Complex. Work to construct a new security control Room/Visitor Entrance and associated improvements to vehicle entry control and inspection;
- Sydney – NSW Headquarters. Works to be undertaken in the new main foyer to provide two layer security;
- Melbourne – Victorian Headquarters. Works to be undertaken in the new main foyer to provide two layer security; and

⁸ Australian Federal Police, *Submission 1*, p. 9.

- Perth – Western Australian Headquarters. Works to be undertaken in the new main foyer to provide two layer security.⁹

3.18 The AFP provided further detail on the scope of works in its confidential submission and to the Committee in a private briefing and in-camera hearing. On the basis of the evidence presented by the AFP, including the confidential material, the Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Cost of the works

3.19 The estimated cost of the project is \$39.4 million (excluding GST). It includes cost contingencies of approximately 16 per cent, which the AFP noted was higher than most projects. The AFP explained that this was due to the complexity of the proposed works across the eight sites, and that each site has 'its own elements that may be discovered during the work [and] that may cause variation'.¹⁰

3.20 The AFP provided the Committee with further detail in both the in camera hearing, and in a confidential submission.

3.21 The Committee considers that the cost estimates for the project have been adequately assessed by the AFP, and that the higher than usual project contingency is necessary due to the nature of the proposed works.

Early project expenditure

3.22 On 9 August 2016, the AFP wrote to the Committee to inform it that some works had been undertaken without being referred to the Committee's for consideration.¹¹

3.23 The AFP informed the Committee that these works were undertaken because of their importance to the safety of the AFP's workforce. Due to 2016 federal election, the Committee had not been formed at the time.¹²

⁹ Australian Federal Police, *Submission 1*, p. 9.

¹⁰ Mr Peter Gunning, Chief Financial Officer, Australian Federal Police, *Transcript of Evidence*, 25 November 2016, p. 5.

¹¹ Australian Federal Police, *Submission 1*, Attachment A.

3.24 In its submission, the AFP outlined the works undertaken prior to the conduct of this inquiry:

- Installation of fixed bollards around the Sydney Headquarters of the AFP. This work will ensure a stand-off distance for vehicles reducing the risk of an incident similar to the recent attack on the Merrylands Police Station in Sydney. The value of this work is approximately \$500,000.
- Ordering of hostile vehicle management systems to control vehicle access at the Sydney, Melbourne and Perth Headquarters of the AFP... The value of the bollards will be approximately \$300,000 and the design will be completed to a level of detail that will enable the bollards to be ordered in September 2016.
- Ordering and installation of new servers and computers for the AFP security system – this measure will enable the security system to be hosted on servers that are stand-alone from the AFP general data servers. The cost of the ordering of the servers and computers and the trial of the dual factor authentication is approximately \$1.1 million.¹³

3.25 At the public hearing, the AFP updated the Committee on the early expenditure:

The three items have been progressed. The first, which was the installation of fixed bollards around Sydney headquarters, is currently being ordered. The second, which was the ordering of the hostile vehicle management systems, is currently in the final stage of design selection, and the decision is being made as to whether they will be pneumatic or hydraulic in nature. The third, which was the installation of the new servers of computers for AFP security, is currently in an assessment and trialling phase, and the expenditure to date on that would be in the order of \$45,000.¹⁴

3.26 The AFP noted that the total value of the works scheduled to occur before the completion of this inquiry would possibly be as high as \$1.7 million, which represents less than five per cent of the estimated budget for the project. By the time of the public hearing on 25 November 2016, the AFP

¹² Australian Federal Police, *Submission 1*, p. 7.

¹³ Australian Federal Police, *Submission 1*, p. 7.

¹⁴ Ms Mel Moore, Manager Commercial Support, Australian Federal Police, *Transcript of Evidence*, 25 November 2016, p. 4.

estimated that it had already spent \$200,000 on fixed bollards and \$45,000 on the new servers.¹⁵

Committee comments

- 3.27 The Committee takes its role in scrutinising proposed public works very seriously. Usually, the Committee would consider expenditure on construction works prior to the Committee's consideration to be a significant breach of the responsibility of proponent entity under *Public Works Committee Act 1969* to receive parliamentary approval prior to the commencement of construction.
- 3.28 However, in this case, the Committee understands that the need for these works was established during the period of the 2016 federal election, when the Committee of the 44th Parliament was no longer operational and before the Committee of the 45th Parliament was established.
- 3.29 Given that the need for the early works is closely linked to the safety of AFP officers and employees, and in light of the recent spate of attacks on police facilities around Australia, the Committee acknowledges that these works were urgent and necessary. As such, the Committee is satisfied that the AFP commenced the early works in good faith, rather than with any intention to evade statutory Parliamentary scrutiny and approval processes.
- 3.30 Based on both the public and confidential material the AFP provided, the Committee is satisfied that the project has merit in terms of need, scope and cost.
- 3.31 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 for purpose, having regard to the established need.

¹⁵ Ms Mel Moore, Manager Commercial Support, Australian Federal Police, *Transcript of Evidence*, 25 November 2016, p. 4.

Recommendation 3

- 3.32 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: Australian Federal Police Facility Security Enhancement Project.**
- 3.33 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 project completion. A report template can be found on the Committee's website.

4. JP500 Phase 2A - Electronic Warfare Facility

- 4.1 The Department of Defence (Defence) seeks approval from the Committee to construct a fit-for-purpose facility that is capable of supporting the new systems installation for current and emerging electronic warfare detection and countermeasure technologies. The works will occur in the Edinburgh Defence Precinct in South Australia.
- 4.2 The estimated cost of the project is \$24.91 million (excluding GST).
- 4.3 The project was referred to the Committee on 10 November 2016.

Conduct of the inquiry

- 4.4 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 4.5 The Committee received one submission and one confidential submission from Defence. A list of submissions can be found at Appendix A.
- 4.6 On 23 January 2017, the Committee conducted a site inspection at the Edinburgh Defence Precinct. During the site visit, representatives of Defence briefed the Committee on the project.
- 4.7 Following the on-site briefing, the Committee conducted a public and an in-camera hearing. A transcript of the public hearing is available on the Committee's website.

Need for the works

4.8 Joint Project 500 (JP500) aims to bring the Australian Defence Force's (ADF) electronic warfare (EW) capabilities in the land and maritime space up to a level that comparable to the ADF's current electronic warfare air capability. According to Defence, the project 'will provide a Survivability and Tactical Validation Program (STVP) for each of the land and maritime domains'.¹

4.9 Defence elaborated on the role of the STVP:

The primary mission of the STVP is to ensure ADF platforms fitted with EW systems are able to achieve and maintain an effective EW capability. The STVP also ensures operators have a clear and documented assessment of the susceptibility of their platform when using authorised countermeasures and tactics against specific threats in both single and complex engagements.²

4.10 Phase 2 of this project has been split into two sub-phases, 2A and 2B. According to Defence, Phase 2A (the current proposal) will:

Provide fit for purpose facilities and infrastructure that is capable of supporting the new systems installation for current and emerging electronic warfare detection and countermeasure technologies.³

4.11 At the public hearings, Defence told the Committee:

The facilities and infrastructure component... is a fundamental input to this capability and will directly support the experimentation, testing, and validation required to ensure the survivability of ADF land and maritime platforms against both current and future EW threats.⁴

4.12 The Committee is satisfied that the need for the works exists.

¹ Department of Defence, *Submission 1*, p. 1.

² Department of Defence, *Submission 1*, p. 1.

³ Department of Defence, *Submission 1*, p. 6.

⁴ Brigadier Noel Beutel, Department of Defence, *Transcript of evidence*, 23 January 2017, p. 1.

Options considered

- 4.13 In its submission, Defence notes that JP500 is ‘an active capability project’, and that it will deliver ‘new EW equipment for the land and maritime research and development domains by 2018’.⁵
- 4.14 Defence expanded on this at the public hearing, stating that Government had determined that it was necessary to extend the ADF’s EW capability to Australia’s land and maritime forces, and as a result there would be ‘new equipment, new personnel and new requirements’ for which there were ‘no existing facilities’. As a result, most of the options considered by Defence to meet the identified need involved the construction of a new facility.⁶
- 4.15 One of the options considered by Defence was extending the existing building at Edinburgh Defence Precinct where Australia’s current EW capability is housed. However, it was noted that this building could not easily be extended without ‘major disruption’ to its current functions.⁷
- 4.16 Specifically, Defence stated that the work undertaken at the existing EW facility is ‘critical to the survivability of our personnel and platforms, particularly in a lot of current operations’. As such, ensuring that the proposed works ‘do not interfere with or compromise those ongoing operations is paramount and one of our key planning decisions’.⁸
- 4.17 Another potential option considered was the construction of a new facility at a Defence Science and Technology (DST) Group site other than Edinburgh. However, ‘close collaboration’ with personnel at the existing facility was ‘an important element in the operations of the new capability’, and this collaboration was considered not to be possible without physical proximity.⁹
- 4.18 Defence provided further detail on the need for in person collaboration:
- Part of the collaboration aspect are things as fundamental as being able to walk across and have a scientist come and physically assist on site with some

⁵ Department of Defence, *Submission 1*, p. 3.

⁶ Brigadier Noel Beutel, Department of Defence, *Transcript of evidence*, 23 January 2017, p. 3.

⁷ Department of Defence, *Submission 1*, p. 3.

⁸ Brigadier Noel Beutel, Department of Defence, *Transcript of evidence*, 23 January 2017, pp/ 3-4.

⁹ Department of Defence, *Submission 1*, p. 3.

work that may be conducted... for example, coming in, sitting in the room, observing and being able to provide subject matter expertise at the time.¹⁰

4.19 While Defence stated that ‘virtual collaboration’ was ‘absolutely applicable’:

Proximity will save money, through reduced travel costs, and time, but it will also allow face-to-face communication. You will note that in the new facility we do have some significant space devoted to meeting rooms, as an example. Also, there is the ability to move equipment around and observe similarities between different types of equipment on site.¹¹

4.20 As a result, Defence considered that the only viable option was to build a new facility adjacent to the Joint Electronic Warfare Operational Support Unit (JEWOSU) facility at the DST Group’s research establishment in the Edinburgh Defence Precinct.¹²

4.21 In its submission, Defence states that new facility will be connected to JEWOSU via a secure link to control access. According to Defence:

The primary reason for the selected site is to enable the critical collaborative relationship between the existing Air EW research and development functions in the JEWOSU building and the emerging Land and Maritime EW research and development functions in the new facility.¹³

4.22 At the public hearing, Defence elaborated on the reasons behind the proposed site for the facility:

Because of the synergies that already exist at the DST Group precinct at Edinburgh... [and its proximity to] the Woomera test range, the Port Wakefield proof and experiment range, and also access for our maritime platforms for testing in the South Australian exercise area, there were just [so] many synergies and [so] much existing Defence capability and units that we could leverage off to support the overall whole-of-Defence approach to this new capability.¹⁴

¹⁰ Captain Stephen Dryden, Department of Defence, *Transcript of Evidence*, 23 January 2017, p. 4.

¹¹ Captain Stephen Dryden, Department of Defence, *Transcript of Evidence*, 23 January 2017, p. 4.

¹² Department of Defence, *Submission 1*, p. 2.

¹³ Department of Defence, *Submission 1*, pp. 9 and 6.

¹⁴ Brigadier Noel Beutel, Department of Defence, *Transcript of evidence*, 23 January 2017, pp. 1-2.

4.23 The Committee found that Defence had considered a number of options to deliver the project and has selected the most suitable option to achieve its objectives.

Scope of the works

4.24 Defence told the Committee that it proposes to construct a single, 'secure-rated' building, containing the following components:

- Four radio frequency laboratories;
- Four electro-optic laboratories;
- Two workshops areas for equipment preparation;
- Five specialised modelling and simulation laboratories;
- Dedicated 'Human-in-the-Loop' laboratories;
- Three laboratory, workshop and utility storerooms;
- Four meeting room at both Secret and Top Secret security classifications;
- Two enclosed offices and open plan office space,
- A staff breakout space, with bathroom facilities and other amenities;
- An external equipment hardstand area; and
- 20 car parking spaces.¹⁵

4.25 The proposed facility will be approximately 2,500 square meters in area, and will have two stories with a mechanical services plant room located on the upper floor.¹⁶

4.26 Subject to Parliamentary approval of the project, construction is expected to commence in mid-2017 and reach completion by mid-2018.¹⁷

4.27 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

¹⁵ Department of Defence, *Submission 1*, pp. 7-8.

¹⁶ Department of Defence, *Submission 1*, p. 10.

¹⁷ Department of Defence, *Submission 1*, p. 17.

Cost of the works

- 4.28 The estimated cost of the project is \$24.91 million (excluding GST). It includes the cost of construction, management and design fees, information communications technology, Defence contingencies and an escalation allowance.
- 4.29 The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with Defence on the project costs.
- 4.30 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent entity.

Committee comment

- 4.31 The Committee did not identify any issues of concern with the proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 4.32 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

- 4.33 **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: JP500 Phase 2A Project – electronic warfare operations support facility.**
- 4.34 Proponent entities 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 project completion. A report template can be found on the Committee's website.

5. Woomera Range Remediation Facilities

- 5.1 The Department of Defence (Defence) seeks approval from the Committee to construct remediated, fit for purpose facilities and range infrastructure to support the installation of new systems, contributing significantly to the research, experimentation, testing and evaluation functions of the Woomera Test Range (WTR). The works will take place at the Woomera Range Complex (WRC), located in South Australia, approximately 500 kilometres northwest of Adelaide.
- 5.2 The estimated cost of the project is \$48.64 million (excluding GST).
- 5.3 The project was referred to the Committee on 10 November 2016.

Conduct of the inquiry

- 5.4 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 5.5 The Committee received one submission and one confidential submission from Defence. A list of submissions can be found at Appendix A.
- 5.6 On 23 January 2017, the Committee conducted a public and an in-camera hearing. A transcript of the public hearing is available on the Committee's website.

Need for the works

5.7 The current role of the WRC is to provide a specialised operations environment for the testing of war materiel, including:

- Air and space-based systems testing;
- Ground-based systems testing;
- Explosives and hazardous material testing and demolition; and
- Specialist force preparation simulation, training, testing and evaluation.¹

5.8 Defence told the Committee that the capacity of the WTR is constrained by the systems currently in use:

In conducting operations at the WTR the capability manager is restricted by existing deficiencies in the ageing and unreliable systems used for aerospace test, evaluation and development trials. Range operators are restricted in their ability to execute complex activities using obsolete range equipment.²

5.9 At the public hearing, Defence elaborated on the condition of the technical equipment at the WTR:

A number of the radars out at Woomera currently are 1950s, 1960s technology, unique in the world. They have been subject to the standard wear and tear that you would expect of equipment that is sitting out in the weather.³

5.10 Additionally, Defence noted that the current systems are manually controlled and 'require operators to be co-located with the radar and optical sensors'. The new equipment being acquired will 'allow remote control' and increase the WTR operators' ability 'to efficiently gather trials data using a digitised, networked and integrated testing environment'.⁴

5.11 According to Defence:

The Woomera Range Remediation Facilities Project will support testing on Australia's most important air based war fighting assets, including the incoming F-35A Lightning II Joint Strike Fighter. The project will subsequently

¹ Department of Defence, *Submission 1*, p. 2.

² Department of Defence, *Submission 1*, p. 2.

³ Mr Darren Manser, Department of Defence, *Transcript of evidence*, 23 January 2017, p. 3.

⁴ Department of Defence, *Submission 1*, p. 2.

enable the WTR to become one of the world's most technologically advanced and effective land based aerospace testing and evaluation and research and experimentation ranges.⁵

- 5.12 At the public hearing, Defence stated that the new systems were being acquired under AIR3024, a separate capability project. These systems, combined with the proposed new facilities and infrastructure, will significantly improve 'the efficiencies and standards of Defence's test and evaluation and research and experimentation capability'.⁶
- 5.13 Defence told the Committee that the proposed facilities will increase the capacity of the WTR by providing:
- An instrumented range service available for up to 24 weeks per years;
 - Non-instrumented range services available for up to 40 weeks per year;
 - Range management and support services, together with trials coordination and control services, available throughout the year.⁷
- 5.14 The Committee is satisfied that the need for the works exists.

Options considered

- 5.15 In its submission, Defence stated that it considered a number of options to meet the need, 'including the adaptive reuse of existing facilities' and 'the construction of new facilities'.⁸
- 5.16 Adaptive reuse was considered to be inappropriate for some of the existing facilities at WRC. Defence outlined the reasons in its submission:
- The column layout, ceiling height and floor plan of the Instrumentation Building could not accommodate the new range control system and supporting equipment;
 - The current storage facility does not have sufficient capacity to accommodate the new range instrumentation;

⁵ Department of Defence, *Submission 1*, p. 2.

⁶ Brigadier Noel Beutel, Department of Defence, *Transcript of evidence*, 23 January 2017, p. 1.

⁷ Department of Defence, *Submission 1*, p. 2.

⁸ Department of Defence, *Submission 1*, p. 5.

- Refurbishment of existing facilities would significantly impact the operational capability of the WTR for several months;
- Major work on the existing facilities would create non-compliance issues with the current building standards; and
- Much of the material comprising the existing facilities has deteriorated and would no longer be suitable for reuse.⁹

5.17 As such, Defence told the Committee that:

The preferred option is to construct new range control, communications interface, and maintenance and storage facilities in the vicinity of the Range Head. New facilities and infrastructure will use the service infrastructure available within the immediate area.¹⁰

5.18 Furthermore, Defence noted that ‘existing service infrastructure’ at the remote instrumentation and communication sites on the range ‘will be adaptively reused’ with further development of the ‘fibre-optic and road networks in order to meet new requirements’.¹¹

5.19 The Committee found that Defence had considered a number of options to deliver the project and has selected a suitable mix of adaptive reuse and new infrastructure to achieve its objectives.

Scope of the works

5.20 Defence split the proposed works into eight project elements:

- Project Element 1 – New range control centre. The proposed new range control centre will comprise two segregated, independent compartments that would facilitate simultaneous trials while monitoring safety and controlling operations. These compartments comprise a mission control room; trials room; instrument operator’s room; mission system server room; and an internal passage link between the two spaces.
- Project Element 2 – Communications interface building. The proposed communications interface building is a single storey, steel framed building intended to house the test range’s main communications

⁹ Department of Defence, *Submission 1*, p. 5.

¹⁰ Department of Defence, *Submission 1*, p. 6.

¹¹ Department of Defence, *Submission 1*, p. 6.

technology distribution cabinets and will integrate the command, control and communications systems to the new range control centre and remote sites.

- Project Element 3 – Maintenance and storage facility. This facility is intended to provide a new combined storage and workshop facility, and is proposed to include:
 - a bulk caged area for storage;
 - storage for support and test equipment;
 - a light maintenance and mechanical workshop;
 - a storage area for flammable products;
 - a 10 ton overhead hoist for lifting the mobile range control centre from its trailer; and
 - storage for the fuel trailer and generator, and a vehicle wash facility and refuelling station.

- Project Element 4 – Instrumentation and communications sites. Defence proposes to build 17 new instrumentation and communications sites to support command and control on the test range. These facilities include:
 - two 144 square metre gravel hardstands;
 - communications towers;
 - fibre optic interconnection enclosures;
 - 16 kilometres of upgraded roads;
 - Fibre runs to facility connectivity;
 - Solar arrays;
 - A security fence and grate; and
 - Water pipes and power reticulation.

- Project Element 5 – Target sites. Defence proposes to build three new inert target sites, and three new high explosive target sites. This element includes no new facilities or infrastructure.

- Project Element 6 – Fibre-optic cable connections. Defence proposes to install new direct buried fibre optic cables to facilitate the transmission of data from sensor sites back to the communications interface building.
- Project Element 7 – Roads network upgrades. Defence proposes to upgrade the existing Wild Dog Hill Road, which is currently 1.77 kilometres long and facilitates access to the Wild Dog Hill Instrumentation Site. Additionally, Defence intends to build 14.3 kilometres of road to upgrade the access road to the Rawlinson Hill instrumentation site as well as minor upgrades to two other roads within the WRC.
- Project Element 8 – Woomera Airfield communications tower. The proposed works at Woomera Airfield will be limited to a weatherproof fibre interconnection enclosure, connected by fibre to a new 30 metre mast, as well as gravel hardstand and security fencing.¹²

5.21 Subject to Parliamentary approval, Defence anticipates that construction will commence in mid-2017 and reach completion in mid-2018.¹³

5.22 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Cost of the works

5.23 The estimated cost of the project is \$48.64 million (excluding GST). It includes the cost of construction, management and design fees, information communications technology, Defence contingencies and an escalation allowance.

5.24 The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with Defence on the project costs.

5.25 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent entity.

¹² Department of Defence, *Submission 1*, pp. 11-13.

¹³ Department of Defence, *Submission 1*, p. 21.

Committee comment

- 5.26 The Committee did not identify any issues of concern with the proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 5.27 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 5

- 5.28 **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 works: Woomera Range Remediation Facilities Project.**
- 5.29 Proponent entities 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 project completion. A report template can be found on the Committee's website.

Mr Scott Buchholz MP
Chair

Mr Tony Zappia MP
Deputy Chair

9 February 2017

A. List of Submissions

LAND 17 Phase 1B/1C

- 1 Department of Defence
 - 1.1 Supplementary Submission (Confidential)
 - 1.2 Supplementary Submission (Confidential)
 - 1.3 Supplementary Submission
- 2 Ms Meryl Swanson MP, Member for Paterson, Parliament of Australia
- 3 Gallipoli Precinct Action Group

Australian Federal Police Security Enhancement

- 1 Australian Federal Police
 - 1.1 Supplementary Submission (Confidential)

JP500 Phase 2A – Electronic Warfare Facility

- 1 Department of Defence
 - 1.1 Supplementary Submission (Confidential)
 - 1.2 Supplementary Submission (Confidential)
 - 1.3 Supplementary Submission

Woomera Range Remediation Facilities

- 1 Department of Defence
 - 1.1 Supplementary Submission (Confidential)
 - 1.2 Supplementary Submission (Confidential)
 - 1.3 Supplementary Submission

B. List of Public Hearings & Witnesses

LAND 17 Phase 1B/1C

Friday 25 November 2016 – Canberra

Department of Defence

Brigadier Noel Beutel, Director General, Capital Facilities and Infrastructure

Lieutenant Colonel Robert Haertsch, Project Director National (LAND)

Colonel Joanne Whittaker, Director, Combat Support Program

GHD Pty Ltd

Mr David Beacroft, Project Manager/Contract Manager

Jacobs Group (Australia) Pty Ltd

Mr Robert McAdam, Senior Architect

Australian Federal Police Security Enhancement

Friday 25 November 2016 – Canberra

Australian Federal Police

Deputy Commissioner Ramzi Jabbour

Mr Peter Gunning, Chief Financial Officer

Ms Mel Moore, Manager Commercial Support

Xact Project Consultants

Mr Tim Wise, Project Consultant

Mr Jez Goeldi, Project Consultant

JP500 Phase 2A – Electronic Warfare Facility

Monday 23 January 2017 – Adelaide SA

Department of Defence

Brigadier Noel Beutel, Director General, Capital Facilities and Infrastructure

Captain Stephen Dryden, Director General, Navy Communications and Information Warfare

Mr David Mitchell, Project Director (West)

Woods Bagot

Mr Gary Faehse, Senior Associate

Woomera Range Remediation Facilities

Monday 23 January 2017 – Adelaide SA

Department of Defence

Brigadier Noel Beutel, Director General, Capital Facilities and Infrastructure Branch

Mr Darren Manser, Director, Air Force Ranges

Mr Mark Kimball, Project Director South Australia

Mr Nigel Thompson, Project Director Major Projects, Surveillance and Control Systems Program Office

Jacobs Group (Australia) Pty Ltd

Mr Michael Franks, Project Manager / Contract Administrator

Kellogg Brown & Root Pty Ltd

Mr Jeremy Wheeler, J0069 Design Services Consultant, Project Director