The Parliament of the Commonwealth of Australia

Report 4/2016

# Referrals made February and March 2016

- Fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW
- Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic
- AIR 5428 Phase 1 – Pilot Training System Facilities Project
- Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade

Parliamentary Standing Committee on Public Works

May 2016
Canberra

978-1-74366-509-1 Printed version

978-1-74366-508-4 HTML version

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# List of recommendations

## 2 Fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW

### Recommendation 1

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: fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW.

## 3 Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic

### Recommendation 2

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: Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic.

## 4 AIR 5428 Phase 1 – Pilot Training System Facilities Project

### Recommendation 3

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: AIR 5428 Phase 1 – Pilot Training System Facilities Project.

Recommendation 4

The Committee requires that the Department of Defence provide it with updates if significant findings in relation to contamination levels are detected at any sites associated with the AIR 5428 Phase 1 – Pilot Training System Facilities Project. An update is to be provided as soon as the information is available.

Recommendation 5

The Committee requires that the Department of Defence provide it with an update on the outcomes of the Australian Noise Exposure Forecast conducted at RAAF Base East Sale for the AIR 5428 Phase 1 – Pilot Training System Facilities Project. The update must include information on any identified impacts for the local community and the mitigation measures to be implemented by the Department of Defence. This update should be provided as soon as the information is available.

## 5 Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade

Recommendation 6

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 Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade.

Recommendation 7

The Committee requires that the Australian Nuclear Science and Technology Organisation (ANSTO) provide it with an update on any regulatory requirements, as sought by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and the Australian Safeguards and Non-proliferation Office (ASNO), which affect the scope or cost of the ANSTO Management Facilities' Extension and Upgrade project. This update should be provided as soon as the information is available.

# 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);
- 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 consider and report on:

- the purpose of the work and its suitability for that purpose;

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.

2 The Act, Section 5.

- 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 The Assistant Minister for Productivity, The Hon Dr Peter Hendy MP, referred the following proposed projects to the Committee for consideration and report:

- Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade (referred 3 February 2016);
- Fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW (referred 8 February 2016);
- Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic (referred 25 February 2016); and
- AIR 5428 Phase 1 – Pilot Training System Facilities Project (referred 17 March 2016).

1.7 In considering the works, the Committee analysed the evidence presented by the proponent agencies, 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.[4]

1.10 Chapter 2 of this report addresses the fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW. The estimated cost of the project is $20.8 million, excluding GST.

3 The Act, Section 17.

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

1.11 Chapter 3 of this report addresses the upgrade to the Puckapunyal Military Area High Voltage Power Supply. The estimated cost of the projects is $32.7 million, excluding GST.

1.12 Chapter 4 of this report addresses the AIR5428 Phase 1 Pilot Training System Facilities Project. The estimated cost of the project is $329.8 million, excluding GST.

1.13 Chapter 5 of this report addresses the Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade. The estimated cost of the project is $22.3 million, excluding GST.

1.14 Submissions are listed at Appendix A, and hearings and witnesses are listed at Appendix B.

# 2

# Fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW

2.1 The Australian Taxation Office (ATO) seeks approval from the Committee to fit-out a new, purpose-built Commonwealth office in Gosford, New South Wales (NSW).[1]

2.2 The main objective of the project is to deliver a new purpose-built Commonwealth office in Gosford that supports agile, flexible and innovative work practices.[2]

2.3 The estimated cost of the project is $20.8 million, excluding GST.

2.4 The project was referred to the Committee on 8 February 2016.

## Conduct of the inquiry

2.5 Following referral, the inquiry was publicised on the Committee's website and via media release.

2.6 The Committee received one submission and one confidential submission regarding the project costs and risk register from the ATO. A list of submissions can be found at Appendix A.

2.7 The Committee received a briefing from the ATO and conducted public and in-camera hearings in Canberra on 15 March 2016. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.[3]

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1 ATO, submission 1, p. 3.

2 ATO, submission 1, p. 3.

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

## Need for the works

2.8 In 2014, the Commonwealth Government announced the construction of a new, purpose-built office building on the NSW Central Coast to accommodate 600 Commonwealth employees. Up to 500 of the 600 positions to be accommodated in the new leased premises will be for ATO employees. The intention is for the other 100 positions to be occupied by employees of other Commonwealth agencies and to provide a shopfront for community services. The ATO was named the lead agency for this initiative.[4]

2.9 The ATO will lease the new building, consisting of a lower ground floor, ground floor, and levels one and two (approximately 7,350 square metres) from Doma, the company responsible for developing the site and constructing the building. The ATO will be responsible for the internal fit-out only.[5]

2.10 At the public hearing, the Committee heard that the ATO had approximately 4,300 vacant workstations in its current property portfolio.[6] The ATO explained that a loss in casual staff during non-peak periods and implementing Commonwealth Government efficiency dividends have contributed to this.[7] The ATO noted some level of vacancy is required in its property portfolio, however it has implemented a range of strategies to decrease vacancy rates over the past 12-18 months. Subleasing excess space is one such strategy, and the ATO anticipates a further reduction vacant work stations. [8]

2.11 Although under its establishing legislation the Committee's remit is restricted to considering only the fit-out of the premises, the Committee was aware of a number of widely publicised community concerns. These were related primarily to site selection for the new building, the integrity of the associated tender process and opportunities for government employees to be recruited locally. At the public hearing, in his opening statement, Mr Justin Untersteiner of the ATO took the opportunity to clarify these matters.[9] More information is presented below.

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

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4 ATO, submission 1, p. 4.

5 ATO, submission 1, p. 8.

6 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 9.

7 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 11.

8 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, pp. 9, 11, 12.

9 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, pp. 1-3.

## Site selection and heritage considerations

2.13 Gosford provides an opportunity to strengthen the ATO's commitment to serving and engaging with regional areas, allowing the community to interact with the ATO in person. The site provides the opportunity for the ATO to lead the redesign of shopfront services on behalf of other government agencies and will continue to foster willing participation with the Australian tax and superannuation systems.[10]

2.14 The new building will be located at 20 Mann Street, Gosford[11], the site of the former Gosford School of Arts (GSOA) Building and the former Gosford primary school. The heritage listing of the GSOA building, and the site as a whole, does not preclude the possibility of change. An Architecture and Heritage Report identified the most important elements of the site are exteriors, Art Deco style and overall form and the remnants (foundations) of the demolished building scattered at the rear and around the site. Doma will be required to work with Gosford City Council to ensure any development is compliant with heritage considerations.[12]

2.15 This proposed site is located in a precinct which will undergo future redevelopment, as identified in the Gosford City Centre Masterplan. The decision to use this site was a commercial decision made by Doma and NSW Government Properties, as owners of the land. The proposed building will occupy 27% of the site, leaving more than two-thirds (approximately 1.13 hectares) of the site available for additional redevelopment.[13]

2.16 At the public hearing, the Committee heard that the ATO had balanced a number of considerations, such as access to public transport and potential for commercial development, when selecting the proposed site.[14]

2.17 Further, a representative of Doma outlined its response to some community concerns which were raised at a public information session hosted by Doma earlier in 2016:

> A number of people that came along wanted to understand the relationship of the building on the site and its context with the former Gosford primary school site. We were able to explain to them what portion of that state government site we had purchased

10 ATO, submission 1, p. 4.

11 ATO, submission 1, p. 7.

12 ATO, submission 1, p. 5.

13 ATO, submission 1, p. 8.

14 Mr Justin Untersteiner, ATO and Mr Domenico Di Luzio, Cushman and Wakefield, transcript of evidence, 15 March 2016, p. 4.

> and where we are proposing to site the ATO building. We were able to explain to people that the development is consistent with the provisions of the Gosford town planning rules. It is an allowable use. We were obviously sympathetic to members of the community that have a desire for a performing arts centre in Gosford. We would encourage that to happen, but we were able to explain to people the basis under which we procured the land and what we were proposing to do on our land. We suggested to people that their focus on getting that performing arts centre would probably be better pointed towards the people who promised it to them in the first place.[15]

## Options considered

2.18 The ATO appointed KPMG to oversee the tender and procurement process. Additionally, the ATO engaged Cushman & Wakefield as project managers. Mr Untersteiner stated:

> The requirement set out in the ATO's expression of interest stated that the premises must be situated in Gosford, New South Wales, specifically within a zone marked on a map within the EOI documentation. This was a large area covering both the Gosford CBD and surrounding areas. The ATO informed the market it would consider premises that are to be constructed, are newly constructed or refurbished, or are in an existing condition. The ATO did not specify a site for use in the EOI. [16]

2.19 In 2014, Cushman and Wakefield, acting on behalf of the ATO, approached the open market requesting Expressions of Interest (EOI) for the provision of office accommodation in the Gosford area.[17]

2.20 An evaluation committee was established to consider the EOIs, with shortlisted applicants invited to provide a formal proposal. Evaluation criteria included:

- technical worth and compliance with ATO specifications;
- whole of life costs and value for money;
- financial viability; and
- risk assessment.[18]

15 Mr Gavin Edgar, Doma Group, transcript of evidence, 15 March 2016, p. 10.

16 ATO, submission 1, pp. 3-4.

17 ATO, submission 1, p. 4.

18 ATO, submission 1, p. 5.

2.21 Final submissions were evaluated by the committee, in line with the assessment methodology. Doma was selected, as its submission rated as the most competitive. Additionally, Doma's risk assessment was deemed as low, its proposal was ranked highest from an overall value for money perspective and it outlined a considered approach to the heritage elements potentially affecting the proposed site.[19]

2.22 At the public hearing, the ATO provided reassurance that the process had been rigorous and that the successful tender represented the best value for money.[20]

2.23 Additionally, ATO told the Committee that the initial lease is for ten years, with two five-year options.[21] The ATO went on to explain:

> …to get good value for money in a large commercial office fit-out we are looking at longer term leases.[22]

2.24 The Committee found that the ATO has considered multiple options to deliver the project and has selected the most suitable option.

## Local impact

2.25 The project is expected to have a positive effect on the local economy through:

- creation of jobs during construction and fit-out works;
- use of locally sourced materials during construction;
- continued support for local trades and services through ongoing maintenance and supply requirements;
- creation of 600 Gosford based Commonwealth jobs, providing a long term commitment to employment and service delivery in the region;
- creation of an important link with tertiary campuses in the area;
- support of local businesses and establishment of new businesses which will be frequented by ATO employees and visitors to the Gosford building; and
- promotion of employment and training opportunities for Indigenous Australians through the ATO's commitment to Indigenous procurement targets and workforce strategies.[23]

19 ATO, submission 1, p. 5.

20 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 2.

21 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 5.

22 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 12.

23 ATO, submission 1, pp. 5-6.

2.26 During the public hearing, the ATO commented on its history working with Indigenous-owned businesses:

> …[the] ATO is probably a leader across government in this space. We [have] worked very closely with Supply Nation to the extent that we ran a secondment process and embedded some of our own employees in Supply Nation to understand how we could better work with Indigenous-owned businesses.[24]

2.27 This has increased the ATO's spending with Indigenous-owned businesses over the past three years from $7,000 in one year to $23 million.[25]

2.28 Doma has advised the ATO of its intention to make a significant contribution to local economic participation during the construction phase through effective engagement of local trade contractors. Its commitment includes:

- advertising locally about opportunities to discuss the project through pre-briefings;
- early and regular briefings to encourage interest from local trade contractors to participate in the project;
- connecting interested contractors with businesses who can help the contractors get ready to provide effective support in the required manner; and
- engaging with local Chambers of Commerce and Industry Networking groups to understand the market.[26]

2.29 At the public hearing, Doma's representative made further comment on the opportunities for local businesses:

> To date the design of the base building has been targeted towards endeavouring to use locally based and sourced materials. We made a deliberate strategy … to use masonry which we felt would cater to the subcontract market in the Gosford area, which would encourage more local businesses to participate in the construction of our building.[27]

2.30 The Committee queried the ATO's capacity to recruit its employees locally. In response, the ATO reassured the Committee that while details were yet to be determined, it intended to manage a fair and open

24 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 6.

25 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, pp. 1,6.

26 ATO, submission 1, p. 6.

27 Mr Gavin Edgar, Doma Group, transcript of evidence, 15 March 2016, p. 10.

recruitment process which would create employment opportunities for people in the region.[28]

### Co-design centre

2.31 The Gosford premises will incorporate a co-design centre, providing the local community with access to other Commonwealth, state and local government agencies. This concept is already in place in Canberra, Brisbane and Melbourne.[29]

2.32 The ATO expanded on this at the public hearing:

> One key feature of the building that we have in our design is, firstly, the shopfront, which allows access for the community. We are seeing a different approach to our shopfronts, in that we are working to educate community for the use of digital products, for instance—moving away from just being a shopfront that hands out forms to being a shopfront that proactively works with the community to educate on new digital products and services.[30]

2.33 Community members were able to provide feedback on the development of the co-design centre at the public information session organised by Doma.[31]

2.34 At the public hearing the Committee heard that the ATO is currently in negotiation with two Commonwealth agencies that have expressed an interest in having a presence in the new building. The ATO fit out will include the space to be occupied by other agencies, though the ATO intends to recover costs through memorandum of understanding arrangements.[32]

## Scope of the works

2.35 Fit-out specifications have been developed in consultation with the relevant experts to ensure all essential ATO and legislative requirements are met. The fit-out design includes:

- Professional, contemporary, 'Grade A' office accommodation which meets Government density and environmental targets;
- A flexible and adaptable work environment in order to cope with ongoing changes in business operation and technology;

28 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 7.

29 ATO, submission 1, p. 4.

30 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 7.

31 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, pp. 9- 10.

32 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, pp. 7-8.

- Modular work points that can be easily and quickly reconfigured without disturbing productivity;
- Collaborative spaces that are flexible and designed for future reconfiguration;
- A robust security system that protects Commonwealth information, people, other assets and operations;
- Conference, training and video conference facilities which support contemporary work practices;
- Future ready IT infrastructure which will support the needs of the site
- An innovation and co-design centre and shopfront facilities to engage with and support Government agencies and clients; and
- Contemporary end of trip facilities to support staff wellbeing will be provided through the provision of showers, bike racks and lockers.[33]

2.36 At the public hearing, the Committee heard that, following a report from Price Waterhouse Coopers, the fit-out works will be integrated with base-building works. The ATO noted that this is a more efficient use of time, with no rental overlap.[34]

2.37 Subject to Parliamentary approval of the project, fit-out works will begin in July 2017 with practical completion expected by November 2017.[35]

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

## Cost of the works

2.39 The estimated cost of the project is $20.8 million, excluding GST.

2.40 At the public hearing and in correspondence to the Committee, the ATO confirmed that, as a general rule, its project expenditure for building fit-out and refurbishment works had come in under budget, with costs for new building fit-outs delivered between 2012 and 2015 ranging from $1014m$^2$ to $1901m$^2$.[36]

2.41 The ATO provided further detail on the project costs in the confidential submission and during the in-camera hearing.

2.42 The Committee considers that the cost estimates for the project have been adequately assessed by the ATO and the Committee is satisfied that the

33 ATO, submission 1, pp. 8-9.

34 Mr Justin Untersteiner, ATO and Mr Kieran McLaughlin, Cushman and Wakefield, transcript of evidence, 15 March 2016, pp. 7-9.

35 ATO, submission 1, p. 12.

36 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 7 and ATO correspondence, dated 7 April 2016.

proposed expenditure is cost effective. As the project will not be revenue generating, the Committee makes no comment in relation to this matter.

## Committee comments

2.43 The Committee did not identify any issues of concern with the ATO's proposal and is satisfied that the project has merit in terms of need, scope and cost.

2.44 With regard to the site selection for the new building, the integrity of the associated tender process and impacts to the local community, the Committee is satisfied that the ATO is committed to achieving optimal outcomes. The Committee notes that the ATO has a reputation of leadership and excellence in property portfolio management, and a sound track record in delivering projects, including fit-out works in Dandenong, Box Hill, Melbourne Docklands, Albury, Wollongong, Adelaide, Brisbane, Moonee Ponds and Chermside, as outlined by Mr Untersteiner at the public hearing.[37]

2.45 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 1

2.46 **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: fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW.**

2.47 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.

37 Mr Justin Untersteiner, ATO, transcript of evidence, 15 March 2016, p. 2.

# 3

# Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic

3.1 The Department of Defence (Defence) seeks approval from the Committee to upgrade existing and purpose-build new facilities to support the high-voltage (HV) power requirements at the Puckapunyal Military Area (PMA).[1]

3.2 PMA is situated close to the regional town of Seymour, 100km north of Melbourne.[2] It is a major Defence training base comprising several logistics units, training schools and residential quarters on approximately 50,000 hectares.[3]

3.3 The estimated cost of the project is $32.7 million, excluding GST.

3.4 The project was referred to the Committee on 25 February 2016.

## Conduct of the inquiry

3.5 Following referral, the inquiry was publicised on the Committee's website and via media release.

3.6 The Committee received one submission, one supplementary submission and one confidential submission regarding the project costs and risk register from Defence. A list of submissions can be found at Appendix A.

3.7 The Committee received a briefing from Defence and conducted public and in-camera hearings in Melbourne on 5 April 2016. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.[4]

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1 Defence, submission 1, p. 9.

2 Defence, submission 1, p. 3.

3 Defence, submission 1, p. 1.

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

## Need for the works

3.8 The existing electrical distribution network at PMA has been developed in a piecemeal fashion over many years, with modifications occurring as required. In the event of a partial system failure, the network does not provide an alternate power supply route and some parts of the network have now reached end of life.[5]

3.9 At the public hearing Brigadier Beutel stated:

> As the requirements of the PMA change to meet the requirements of the Australian Defence Force, the original high-voltage power supply is now in need of an upgrade. The Puckapunyal Military Area high voltage power supply upgrade project was initiated to upgrade the current and future power capacity requirements of the PMA. It is vital to the sustainability of current and emerging Army capabilities.[6]

3.10 The majority of the network is above ground, and is therefore prone to failure during storms. Between 2011 and 2012, PMA recorded 22 power failures, the majority of which were caused by off-site faults. Most recently in 2015, PMA experienced a total of 15 power failures. While some critical, high dependency buildings may be brought back online quickly via the four existing Local Emergency Generator Sets (LEGS) which operate at Low Voltage (LV), this response offers only a limited solution in terms of duration and coverage. It leaves the majority of PMA without HV power.[7]

3.11 In addition, unplanned power outages carry the potential for negative implications upon Defence's Work Health and Safety obligations including:

- loss of temperature sensitive consumables (rations and medical stores);
- compromise to the achievement of the directed training requirements; and
- degraded living standards of many Defence families that reside in married quarters at PMA.[8]

3.12 PMA's HV supply comes from a single source, known as Seymour 1 (SMR1). This is a shared feeder located at the Seymour Zone Sub Station (SMR ZSS) and managed by AusNet Services, the Distribution Network

5 Defence, submission 1, p. 1.

6 Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 1.

7 Defence, submission 1, p. 1.

8 Defence, submission 1, p. 1.

Service Provider (DNSP). The majority of power to PMA is supplied by a Defence-owned internal radial network, connected to the SMR1 feeder.[9]

3.13 The current maximum supply available to PMA from the SMR1 feeder is 6.8Megavolt Amps (MVA). PMA's daily power use average is 2.2MVA, with a maximum demand of approximately 3.5MVA. This is well below the available supply. However, in the event of a major failure occurring on the SMR1 feeder, PMA could be without HV power for an extended period. In 2013, a mechanical failure of the incomer circuit breaker led to an outage which lasted 11 hours.[10]

3.14 Mr Bernard Richards from Aurecon Australia confirmed that there are approximately five power outages at PMA per year due to the age of the infrastructure and its configuration.[11]

3.15 Looking forward to 2028, Defence has predicted the demand for electrical power to increase to 7.1MVA, which exceeds the available power by 0.3MVA.[12] Table 1 below details the electrical demand of current and planned major infrastructure assets within the PMA.

Table 1 PMA's Load Calculation

| Asset | Maximum Load (MVA) |
|---|---|
| Existing PMA Cantonment Load | 3.5 |
| Future Defined Projects | 2.0 |
| Load Growth (3% per annum over 15 years on existing loads – not compounded) | 1.6 |
| **Total** | **7.1** |

*Source* *Defence, submission 1, p. 2.*

3.16 At the public hearing Brigadier Beutel listed the future defined projects driving the 2.0MVA demand on load, including LAND 400, LAND 121, LAND 17, Joint Health Command project, and the Combined Arms Museum to support the School of Armour and School of Artillery.[13]

3.17 Additionally, given that the internal HV network is in an overhead configuration, associated fuse arrangements are a potential fire source.[14]

9 Defence, submission 1, p. 1.

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

11 Mr Bernard Richards, Aurecon Australia, transcript of evidence, 5 April 2016, p. 3.

12 Defence, submission 1, p. 2; Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 4.

13 Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, pp. 5-6.

14 Defence, submission 1, p. 2; Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 1.

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

## Options considered

3.19 In recent years, a number of options studies including a risk-based upgrade of the external and internal HV power supply at PMA have been developed. In 2008, Defence undertook a study of the PMA HV Power Supply and subsequently prepared a HV Master Plan. In 2013, Defence prepared Corporate Services Infrastructure Request Part One and Part Two. This included a PMA HV Options Analysis Report. The PMA HV Options Analysis Report (2014) informed the Strategic Business Case (SBC), which was approved by the Defence Estate Committee in August 2014.[15]

3.20 The SBC considered range of options to meet the identified need as described below. They are separated into scope elements:

3.21 **1 - Upgrade External HV Power Supply**.
The SMR1 connects to PMA via an existing Intake Switching Station 1 (ISS). This will need to be rebuilt, to allow sufficient space to house the new electrical infrastructure and meet current electrical regulation requirements (see Scope Element 1 in section below). Various locations and configurations were considered for the rebuilt ISS1.[16]

3.22 **2 - Provide Redundancy in External HV Power Supply**.
Two options to address the lack of redundancy power were considered:

- The preferred option is to install a second HV power supply feeder (SMR4) to the PMA, and connect it at a new Intake Switching Station 2 (ISS2) geographically separated from SMR1 and ISS1. Within this option, consideration was made to select the least costly, technically acceptable solution, and this was to extend the existing SMR4 from the SMR ZSS through a combination of overhead and underground methods to a second point of supply located on the PMA boundary at Tooborac Road. The use of underground HV cabling reduces the bushfire ignition risk and it has been selected along the line route where appropriate. SMR4 is supplied from a separate SMR ZSS busbar, which will improve the reliability of power supply to the PMA.
- A second option is to install a Central Emergency Power Station (CEPS) in lieu of the shared feeder SMR4. The use of a CEPS is usually restricted to the generation of emergency standby power for critical areas within a base. The strategic planning for PMA has not identified the need for CEPS as there are existing LEGS and smaller

15 Defence, submission 1, p. 4.

16 Defence, submission 1, p. 4.

Uninterrupted Power Supplies for selected critical buildings and assets. As a CEPS is a back-up power supply in case of emergency, it is an unfeasible option for a main power supply to the PMA. Also, this option was considered much more costly and hence discounted.[17]

3.23 **3 - Upgrade Internal HV Power Reticulation within PMA.**
To increase the reliability and efficiency of the internal electrical distribution to PMA, only one feasible solution was identified, which would achieve the outcome. The proposed solution is to reconfigure the existing radial network to a ring main arrangement and increase its capacity to 7.1MVA to carry the maximum load anticipated.[18]

3.24 **4 - Provide offset to the PMA Power Usage.**
Given anticipated growth in power demand, consideration was given to offsetting power to PMA. The following options were reviewed by Defence in the PMA HV Options Analysis Report (2014), but were subsequently discounted, as they were either not technically appropriate or were not cost effective:

- reciprocating gas engines;
- gas turbines;
- diesel generation;
- diesel rotary uninterrupted power supply;
- wind turbine;
- geothermal;
- hydro; and
- bio-mass.[19]

3.25 The PMA HV Options Analysis Report (2014) recommended that Defence further investigate the Solar Photovoltaic (PV) option as a method to provide energy offsetting to the PMA. This was reviewed by Defence through the design development stages but was discounted, as the cost benefit analysis identified a payback period of 19 years.[20]

3.26 As it did not present as a viable investment (Defence's SMART Infrastructure Manual requires a payback period of seven years), detailed design development of Solar PV was discontinued and as a result, energy offsetting to the PMA power usage was not recommended as part of the project scope.[21]

17 Defence, submission 1, p. 4.
18 Defence, submission 1, pp. 4-5.
19 Defence, submission 1, p. 5.
20 Defence, submission 1, pp. 5-6.
21 Defence, submission 1, pp. 5-6.

## Ownership of and investment in infrastructure

3.27 At the public hearing the Committee queried Defence on the ownership of and investment in the electrical infrastructure at PMA. Defence advised that consideration of a public-private partnership approach was undertaken at the master planning feasibility report stage of the project and there was no market interest shown.[22]

3.28 The proposed external works are to be undertaken by AusNet which owns and operates the external services. However, the majority of the proposed works are internal to the Defence base and the key reasons for not privatising electrical infrastructure is that it is inside a working operational military base:

> It comes down to two aspects there: the first is that if we were to look to privatise our electrical infrastructure—both above ground and in-ground infrastructure—there would be a requirement to negotiate certain easements and access for private industry to access those easements and areas at any stage. The second part of my answer to your question relates back to operational risk for Defence, and between those two—the requirement for having those easements and also the potential for a risk element for access of private personnel on to the base, and noting that Defence just recently, in the last year or so, has increased our security vetting of contractors coming on to the base to quite a high level—it creates risk.[23]

3.29 The Committee queried Defence about the return on investment to the Australian taxpayer. Brigadier Beutel commented that the return on the investment is ultimately in ensuring Defence capability:

> The Puckapunyal Military Area has three significant schools: the school of armour, which is predominantly heavy vehicles; the school of artillery; and the school of transport. Within those three schools young recruits coming out of Kapooka come down and do what is called initial employment training at those activities before they are moved out into units to start operating that equipment. Approximately a third of all recruits coming out of Kapooka do come to Puckapunyal to do their initial employment training, to hone their skills, to make them safe in their skills before going out into our line units, our brigades and our logistics battalion. We are

22 Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 9.

23 Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 2.

> ensuring that we are training our people go to out into their units and support the defence of Australia.[24]

3.30 Brigadier Beutel stated that the PMA is located in a bushfire prone area, therefore another return on investment is a reduction in bushfire risk.[25]

3.31 The Committee found that Defence has considered multiple options to deliver the project and has selected the most suitable option.

## Scope of the works

3.32 Defence has split the proposed works into three scope elements:

3.33 **1 - Upgrade External HV Power Supply**

This upgrade will meet increased demand for power supply.[26] The proposed solution is to upgrade the SMR1 feeder, demolish and rebuild the existing ISS1 and connect the two. The ISS1 is past the end of its economic life and is of inadequate size to accommodate the new electrical equipment. The proposed new ISS1 will be a pre-cast concrete and steel building that complies with electrical standards and facilitates easy cut over connection to the internal network.[27]

3.34 **2 - Provide Redundancy in External Power Supply.**

Increasing the redundancy of HV power supply will remove single points of failure and mitigate the risk of widespread interruption to power supply.[28] The proposed solution is to provide an additional (predominately underground) 22kV connection, with a continuous summer rating of at least 7.1MVA, utilising the existing SMR4 feeder. The SMR4 feeder will be extended to the PMA site, terminating at a new intake switching station (ISS2).[29]

24 Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 2.
25 Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 2.
26 Defence, submission 1, p. 3.
27 Defence, submission 1, p. 10.
28 Defence, submission 1, p. 3.
29 Defence, submission 1, p. 10.

3.35 **3 - Upgrade Internal Power Reticulation within PMA.**

This upgrade will increase the reliability and efficiency of the internal electrical distribution to PMA, meet the maximum power requirement of 7.1MVA and reduce bushfire risks.[30]

3.36 The proposed existing network will be reconfigured to an underground ring main arrangement, connecting the intake substation to distribution substations located throughout PMA. A Power Factor Correction System has been incorporated into the design, to allow for a 7.1MVA capacity. Additionally, some existing LV equipment will be replaced, after detailed engineering inspections revealed them to be in poor condition.[31]

3.37 The project will also deliver civil works, infrastructure/essential service works and landscaping. The proposed facilities are to be located on both 'brownfield' and 'greenfield' sites, both internal and external to PMA.[32]

3.38 At the public hearing the Committee queried how much of the HV cabling is aerial and underground at PMA. Mr Bernard Richards from Aurecon Australia advised that of the current 34 kilometres of cable, there is 400 metres of cable underground and the rest is overhead. Following this project the majority of the cabling will be underground:

> Most of it goes underground except for 3.5 kilometres of an overhead line that does not sit within the main system; it is a spur that supplies a smaller load. It is not really a critical load, so to go underground was not a cost-effective solution. We will be using what is called aerial bundled cable to mitigate the bushfire risk.[33]

3.39 Representatives from Defence stated that part of the design stage of the project was to provide a value-managed solution for the base and an assessment was made about which infrastructure could be retained. Of the 44 kiosk substations to be worked on, six will be retained.[34]

3.40 Subject to Parliamentary approval, construction is expected to commence in late 2016 and be completed by late 2017.[35]

3.41 Defence assured the Committee that lessons associated with delays of 13 months to the HV Electrical Distribution Upgrade at Liverpool Military

30 Defence, submission 1, p. 3.
31 Defence, submission 1, p. 10.
32 Defence, submission 1, p. 3.
33 Mr Bernard Richards, Aurecon Australia, transcript of evidence, 5 April 2016, p. 8.
34 Mr Bernard Richards, Aurecon Australia, transcript of evidence, 5 April 2016, p. 6.
35 Defence, submission 1, p. 16.

Area have been identified and the risks to delays in completion of this project have been addressed.[36]

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

## Community consultation

3.43 In accordance with its community consultation and communications strategy, Defence undertook the following consultative activities:

- detailed email correspondence with local groups and State and Federal members, with individual briefings conducted where requested;
- notices in the local newspapers providing information on opportunities for the public to comment on issues relating to the project; and
- two public consultation sessions were held on 22 March 2016 at the shopping precinct within the PMA and at the central shopping district in Seymour, Victoria.

3.44 No members of the public attended or approached the project team during the consultation sessions.

3.45 The HV works that are required to be delivered by AusNet Services does impact four property owners along the power line route known as SMR4. During the design development, these property owners were consulted and the line layout adjusted to suit landowner requirements. Further consultation with landholders will be conducted following parliamentary approval and Defence did not consider negotiations with landowners as being a major risk to delays.[37]

## Cost of the works

3.46 The estimated cost of the project is $32.7 million, excluding GST.

3.47 At the public hearing Defence representatives confirmed that the expected design life of the proposed works is 50 years for electrical systems and building elements, 20 years for fire detection systems, and 15 years for building mechanical systems.[38]

3.48 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.

36 Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, pp. 2-3. Also see Post-implementation report of HV Electrical Distribution Upgrade, Liverpool Military Area available on the Committees website <www.aph.gov.au/pwc>

37 Defence, submission 1.2, pp. 1-3; Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 7.

38 Brigadier Noel Beutel and Lt Col. Matthew Gallagher, Defence, transcript of evidence, 5 April 2016, p. 4.

3.49 The Committee considers that the cost estimates for the project have been adequately assessed by Defence and the Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating, the Committee makes no comment in relation to this matter.

## Committee comments

3.50 The Committee did not identify any issues of concern with Defence's proposal and is satisfied that the project has merit in terms of need, scope and cost.

3.51 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 2

3.52 **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: Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic.**

3.53 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

# AIR 5428 Phase 1 – Pilot Training System Facilities Project

4.1 The Department of Defence (Defence) seeks approval from the Committee to conduct works at five Royal Australian Air Force (RAAF) Bases across Australia.

4.2 The main objective of the project is to deliver fit-for-purpose facilities to support a new pilot training system in a timeframe that enables the new pilot training system Capability Contractor to install and commission the required training devices in order to meet the Government endorsed In-Service-Date (ISD)[1] and Initial Operating Capability (IOC)[2] milestones.[3]

4.3 The estimated cost of the project is $329.8 million, excluding GST.

4.4 The project was referred to the Committee on 17 March 2016.

## Conduct of the inquiry

4.5 Following referral, the inquiry was publicised on the Committee's website and via media release.

4.6 The Committee received one submission, one supplementary submission and one confidential submission regarding the project costs and risk register from Defence and one submission from the Wellington Shire Council. A list of submissions can be found at Appendix A.

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1 In correspondence to the secretariat, Defence has defined the ISD as the time when initial aircraft, simulator, learning environment components, support systems, facilities and flying instructors are in place to commence initial operational tests and evaluations for the new pilot training system.

2 In correspondence to the secretariat, Defence has defined the IOC as the time when there are sufficient aircraft, simulators, learning environment components, support systems, facilities and flying instructors to commence training.

3 Defence, submission 1, pp. 3, 13.

4.7 The Committee received a briefing from Defence and conducted public and in-camera hearings in Melbourne on 5 April 2016. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.[4]

## Need for the works

4.8 In August 2015, the Commonwealth Government approved the replacement of existing Air Force, Navy and Army pilot training systems. The new training system will be based on the Pilatus PC-21 (PC-21) aircraft and will prepare Defence personnel for operating a number of other new and advanced aircraft.[5]

4.9 The following requirements have been identified to support the new pilot training system:

- unit facilities;
- simulator and training devices;
- information system;
- logistics and maintenance systems;
- aerodrome requirements; and
- aircraft shelters;
- satellite aerodrome;
- living-in-accommodation; and
- security requirements.[6]

4.10 The new facilities will be used by:

- Basic Flying Training School (BFTS), Pilot Selection Agency and Central Flying School at RAAF Base East Sale, Victoria
- Number 2 Flight Training School (2FTS) at RAAF Bases Pearce and Gin Gin, Western Australia;
- Air Warfare Centre (AWC) at RAAF Base Edinburgh, South Australia; and
- No. 4 Squadron at RAAF Base Williamtown in New South Wales.[7]

4.11 At the public hearing, the Committee noted that some previous works for the Australian Defence Force have been influenced by training services offered to international forces. In response, Defence confirmed that the

4 <www.aph.gov.au/pwc>.
5 Defence, submission 1, p. 1.
6 Defence, submission 1, pp. 1-3.
7 Defence, submission 1, p. 1.

proposed works were being driven by domestic training requirements only.[8]

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

## Options considered

4.13 To ensure that the facilities achieve value for money and meet functional requirements, 14 planning options were included in the Master Planning and Feasibility Review Report. The options addressed adaptive re-use and new build solutions for meeting the project's functional requirements at RAAF Bases East Sale, Pearce and Gin Gin.[9]

4.14 In most cases, re-using existing facilities was not cost effective due to the extent of dilapidation, structural inadequacy, dysfunctional layout or inappropriate siting of the available facilities. Consequently, the majority of solutions developed for this project are proposed to be new construction. The exception to this is the 2FTS unit facilities component, which will be delivered as a combination of new build and adaptive reuse.[10]

4.15 The reasons for adopting the preferred design solutions at each site are so that each facility:

- provides value for money solutions that address the current facilities deficiencies to fully support the new pilot training system;
- creates effective and streamlined interaction between like functions, which will improve the efficiency of a new training curriculum;
- meets current compliance legislation and other statutory requirements;
- maximises opportunities to achieve optimised ecologically sustainable design and green building outcomes;
- maximises opportunities to integrate similar functions to achieve construction economies of scale and facility performance efficiencies post construction;
- minimises the requirement for temporary facilities and decanting, which in turn minimises disruption to ongoing training and operations; and
- minimises whole of life costs.[11]

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8 Group Captain Christopher Hake, Defence, transcript of evidence, 5 April 2016, p. 6.

9 Defence, submission 1, p. 5.

10 Defence, submission 1, p. 4.

11 Defence, submission 1, p. 5. Further information on options considered for each location can be found on pages 5-8 of Defence's submission.

4.16 The Committee found that Defence has considered multiple options to deliver the project and has selected the most suitable option.

## Scope of the works

4.17 Due to time imperatives, the proposed works will be phased as follows:

- ISD works will support initial learning environment activities, and allow Defence instructors the opportunity to convert training activities onto the new PC-21 platform. These works will be required at RAAF Base East Sale by April 2017. To achieve this, Defence proposes the following interim solutions:
  - minor works in Hangar 373 for interim aircraft maintenance;
  - install deployable hangars to act as interim aircraft storage;
  - interim use of the B300 flightline for Aviation Life Support Equipment;
  - minor works in Building 106 to act as an interim learning environment;
  - interim/partial use of existing shelters for new PC-21 aircraft; and
  - partial construction of the combined pilot training system facility to house the first two Flight Training Devices (FTDs).[12]
- IOC works are all remaining works at RAAF Bases East Sale, Pearce and Gin Gin. These are programmed to be delivered by July 2018.[13]
- A number of project deliverables will be defined as stages in the Delivery Phase so as to ensure the 'ramp up' of facilities required between the ISD and IOC deliverables align with the capability programme requirements.[14]

4.18 **RAAF Base East Sale**

In addition to the ISD works, the main works proposed at RAAF Base East Sale include:

- new flightline shelters for 28 PC-21 aircraft;
- new aprons and taxiway to service PC-21 aircraft;
- new aircraft storage hangar;
- new maintenance facilities for five aircraft, flightline office, aviation life support equipment;

12 Defence, submission 1, p. 14.

13 Defence, submission 1, p. 14.

14 Defence, submission 1, p. 14.

- refurbished paint shop to meet compliance and PC-21 aircraft requirements;
- new classrooms, working accommodation and briefing rooms;
- new FTD facilities;
- Training Aircraft Systems Project Office facilities, working accommodation and briefing rooms;
- Live-in-accommodation for 105 students;
- new aircraft wash facility;
- new engine run-up facility;
- minor extension to the existing medical facility;
- trunk infrastructure works to service the proposed new facilities;
- associated demolitions, landscaping and car parking; and
- works required for decanting existing functions if they are currently operating in any facilities considered for adaptive reuse.[15]

4.19 **RAAF Base Pearce**.

The works proposed for RAAF Base Pearce include:

- refurbished flightline shelters for 20 aircraft;
- new aprons and taxiway to service PC-21 aircraft;
- new maintenance facilities for five aircraft, flightline office, aviation life support equipment and aircraft storage;
- 2FTS classrooms, FTD facilities, working accommodation and briefing rooms;
- new aircraft wash facility;
- new engine run-up facility;
- trunk infrastructure upgrades works to service the proposed new facilities;
- associated demolitions, landscaping and car parking; and
- works required for decanting existing functions if they are currently operating in any facilities considered for adaptive reuse.[16]

4.20 **RAAF Base Gin Gin.**

The proposed works for the RAAF Base Gin Gin satellite aerodrome include:

- new and refurbished flightline shelters for 12 aircraft;

15 Defence, submission 1, pp. 14-15.

16 Defence, submission 1, p. 15. Additional corrections to the scope were provided by Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 1.

- new aprons and taxiway to service PC-21 aircraft; and
- 2FTS working accommodation and operations, flight line office and aviation life support equipment, storage and car parking.[17]

4.21 **RAAF Base Edinburgh.**
The scope of works for at RAAF Base Edinburgh includes internal works to adaptively re-use the existing flightline maintenance facility and working accommodation to support AWC operations.[18]

4.22 **RAAF Base Williamtown.**
The scope of works at RAAF Base Williamtown includes a communications room and a minor additional ICT works to support No.4 Squadron operations.[19]

4.23 At the public hearing, the Committee sought clarification on the proposed upgrades to aircraft aprons. Representatives for Defence responded:

> [RAAF Base] East Sale has a net increase in aircraft coming as a part of the [pilot training scheme] project. The…basic flight training school, will see those aircraft at the base. The base currently does not have that capacity and does not have that capability, so the increase in the aprons at East Sale in particular is due to the arrival of new aircraft.
>
> In addition at East Sale, there are some taxiway upgrades. There was a study done—we engaged expert engineers to do some studies—of the airfield capacities. As a result of that study, there is some congestion on the taxiways and there is a proposal for a new taxiway to relieve some of that congestion.
>
> There are also a number of run-up bays. Again, as a result of the increase in aircraft at East Sale, there are a number of run-up bays that will be provided as part of this project to enable the aircraft to undertake safety checks and also maintenance run-ups.
>
> At RAAF Base Pearce, largely, the apron areas will remain untouched. There is currently no net increase in aircraft at RAAF Base Pearce, so there are some minor refurbishment works where the project will be constructing within the apron zones. So there are some minor tie-ins and apron works at RAAF Base Pearce.[20]

17 Defence, submission 1, pp. 15-16. Additional corrections to the scope were provided by Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 1.

18 Defence, submission 1, p. 16.

19 Defence, submission 1, p. 16. Additional corrections to the scope were provided by Brigadier Noel Beutel, Defence, transcript of evidence, 5 April 2016, p. 1.

20 Mr Craig Simpson, Laing O'Rourke Australia, transcript of evidence, 5 April 2016, p. 5.

4.24 Further to this, Defence confirmed that all works are being driven by the new training system, which is based on the PC-21 aircraft:

> …the facility requirements that we have developed as part of the proposed solution are based on the requirements for the new PC-21 aircraft and the mission systems, the simulation systems and the various support systems that are required. It is being driven purely by the PC-21.[21]

4.25 Subject to Parliamentary approval of the project, construction is expected to commence in mid 2016 for ISD works at RAAF Base East Sale and be completed by mid 2017.[22]

4.26 The IOC works are planned to commence in mid to late 2016 at RAAF Bases East Sale, Pearce and Gin Gin, and be completed by mid 2018. The construction program has been developed to ensure ISD and IOC milestones are met, which include a range of concurrent activities and establishment of multiple work fronts at RAAF Bases East Sale, Pearce and Gin Gin.[23]

4.27 The proposed works at RAAF Bases Edinburgh and Williamtown are not time critical and will be delivered in 2019.[24]

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

## Heritage considerations

### Indigenous heritage

4.29 An Environmental Report has identified only limited potential for Indigenous heritage in the selected sites. Nevertheless, mitigation measures will be in place, including consultation with local Indigenous groups.[25]

### Built heritage

4.30 A number of redundant Bellman Hangars with moderate heritage significance are scheduled for demolition at RAAF Base East Sale. The impact from demolition has been assessed as low.[26]

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21 Brigadier Noel Buetel, Defence, transcript of evidence, 5 April 2016, p. 6.

22 Defence, submission 1, p. 25.

23 Defence, submission 1, p. 25.

24 Defence, submission 1, p. 25.

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

26 Defence, submission 1, p. 9.

4.31 'Hangar 95', located at RAAF Base Pearce, will be adaptively reused as this has higher heritage significance.[27]

4.32 Heritage risk with proposed works at RAAF Bases Gin Gin, Edinburgh and Williamtown has been assessed as low.[28]

## Community consultation

4.33 In accordance with its community consultation and communications strategy, Defence undertook the following consultative activities:

- detailed email correspondence with local groups and State and Federal members, with individual briefings conducted where requested;
- notices in the local newspapers providing information on opportunities for the public to comment on issues relating to the project; and
- two public consultation sessions, one held on 23 March 2016 in Sale, Victoria and the other on 24 March 2016 in Bullsbrook, Western Australia.[29]

4.34 At both sessions, Defence responded to a number of issues, including opportunities for local businesses. Defence advised attendees that further information for businesses would be available as the procurement process progressed.[30] The Committee notes that the Wellington Shire Council has written in support of the proposed works, particularly in relation to potential opportunities for local businesses.[31]

4.35 The issue of aircraft noise was raised at both sessions. Further information on this matter is addressed below.[32]

## Environmental considerations

### Aircraft noise

4.36 Because the BFTS has been relocated from Tamworth, NSW to RAAF Base East Sale, aircraft noise to surrounding communities is likely to increase. Defence plan to conduct an Australian Noise Exposure Forecast (ANEF) to capture planned aircraft movements until 2035. This will be finalised and followed by a further public consultation session.[33]

4.37 Defence commented on this at the public hearing:

27 Defence, submission 1, p. 9.
28 Defence, submission 1, p. 9.
29 Defence, submission 1.2, pp. 1-12.
30 Defence, submission 1.2, pp. 13-14.
31 Wellington Shire Council, submission 2, p. 2.
32 Defence, submission 1.2, pp. 13-14.
33 Defence, submission 1, pp. 9-10.

> The modelling to support the ANEF will continue through this process and it will culminate in public consultation. Part of the legislative requirements for ANEFs is that there will be a formal public consultation process where those outcomes are provided to the community. Again, we are looking to have that public consultation conducted later this year. Once the public consultation is conducted, we will be looking to mitigate the issues. If the noise modelling creates any issues or concerns for the community, we will look to mitigate those risks where we can before finalising the ANEF.
>
> In relation to the risk of an increase in noise, you are exactly correct—the decibel level is not considered to be greatly different from what already exists, but it is the rate of effort. With the throughput of 22 new aircraft at RAAF Base East Sale and the throughput of pilots, there will be an increased rate of effort. So that is the aspect in the modelling.[34]

4.38 Although Defence anticipated that there would be no increase to aircraft noise at RAAF Base Peace, the increased frequency of aircraft movements at RAAF Base East Sale might impact local residents.[35]

## Contamination, water quality and flooding

4.39 Quantities of perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) have been identified at RAAF Base East Sale, as a result of the historical use of Aqueous Film Forming Foam (AFFF). Therefore, the proposed works at RAAF Base East Sale will result in the generation of potentially contaminated spoil material.[36]

4.40 A plan for managing the contaminated spoil will be established and maintained and will form part of the Construction Environmental Management Plan. Defence is conducting further investigations to inform the plan, including:

- additional testing to further assess the contamination and assist with managing the risk associated with the potentially contaminated spoil material during construction;
- sampling of potentially contaminated soil prior to construction to characterise the material for landfill disposal; and,

34 Brigadier Noel Buetel, Defence, transcript of evidence, 5 April 2016, p. 7.

35 Brigadier Noel Buetel, Defence, transcript of evidence, 5 April 2016, p. 7; Defence, submission 1.2, pp. 13-14.

36 Defence, submission 1, p. 10.

- balancing cut and fill across the sites by re-using material that is below Defence's adopted screening guidelines for residential use.[37]

4.41 According to Defence's submission the proposed works are unlikely to interfere with water quality. Soil in project areas will be tested prior to construction to determine any potential risks to surface or ground-water quality.[38]

4.42 The project facilities design has considered engineered design solutions, which include storm water and drainage management, as well as prevention of ground water contamination in the case of a flood event. Mitigation measures include the introduction of triple interceptor pits for excess catchment, and bunding to fuel and chemical handling and areas for containment of substances in the event of spillage.[39]

4.43 While the issues of contamination and water quality were not raised during the public consultation sessions, Defence commented on these at the public hearing, with a specific focus on its intension to mitigate impacts to local communities:

> We are actually moving to undertake some more environmental investigations at both East Sale and Pearce within the next few weeks….We have had local meetings with the council recently to explain what our activities for East Sale will be. We are working quite collegiately with our stakeholders in those areas. As we move to site we plan to undertake some detailed community engagement activities, as we have done at our other sites at Oakey and Williamtown. We will work with the community so they understand what we are doing. We will share the information we have to hand and work with them to allay any concerns that they may have about this emerging contaminant. As you know, we are in an emerging space. The science around PFOS and PFOA contamination domestically and internationally is quite new. It is evolving. We are working very carefully and closely with our communities, our local and state authorities, our Commonwealth colleagues and our international partners to understand what this actually means.[40]

4.44 The Committee noted that recent instances of contamination at RAAF Base Williamtown (featured in the Committee's second report of 2016) were

37 Defence, submission 1, p. 10.

38 Defence, submission 1, p. 10.

39 Defence, submission 1, p. 11.

40 Ms Stacey Hannon, Defence, transcript of evidence, 5 April 2016, p. 8.

exacerbated due to watercourse issues. Defence confirmed that the proposed works would not be faced with those considerations:

> We are not faced at [RAAF Bases] East Sale or Pearce with the sand aquifer situation and high watertable that we had [at RAAF Base Williamtown]. Yes, there are still watertables at each base. I also point out that at Williamtown we have Tilligerry Creek and Fullerton Cove very close to the base. There are concerns and issues in relation to the off base contamination in those areas and impact on the community. We do not have that situation for Pearce or East Sale but I do note—and I think we have advised this in the statement of evidence—the Ramsar wetlands aspect of it in the Gippsland area. Again the project team are well and truly aware of that.[41]

4.45 Nevertheless, the Committee requires Defence to keep it updated on contamination issues at all sites, especially if contamination levels increase.

## Cost of the works

4.46 The estimated cost of the project is $329.8 million, excluding GST.

4.47 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.

4.48 The Committee considers that the cost estimates for the project have been adequately assessed by Defence and the Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating, the Committee makes no comment in relation to this matter.

## Committee comments

4.49 The Committee did not identify any issues of concern with Defence's proposal and is satisfied that the project has merit in terms of need, scope and cost.

4.50 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.

41 Brigadier Noel Buetel, Defence, transcript of evidence, 5 April 2016, p. 9.

### Recommendation 3

4.51 **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: AIR 5428 Phase 1 – Pilot Training System Facilities Project.**

### Recommendation 4

4.52 **The Committee requires that the Department of Defence provide it with updates if significant findings in relation to contamination levels are detected at any sites associated with the AIR 5428 Phase 1 – Pilot Training System Facilities Project. An update is to be provided as soon as the information is available.**

### Recommendation 5

4.53 **The Committee requires that the Department of Defence provide it with an update on the outcomes of the Australian Noise Exposure Forecast conducted at RAAF Base East Sale for the AIR 5428 Phase 1 – Pilot Training System Facilities Project. The update must include information on any identified impacts for the local community and the mitigation measures to be implemented by the Department of Defence. This update should be provided as soon as the information is available.**

4.54 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.

# 5

# Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade

5.1 The Australian Nuclear Science and Technology Organisation (ANSTO) seeks approval from the Committee to upgrade and extend radioactive waste management facilities at its Lucas Heights site.[1]

5.2 ANSTO is Australia's national nuclear research and development organisation. At the heart of ANSTO's capabilities is the Open Pool Australian Light-water (OPAL) reactor, which generates radioactive waste through nuclear medicines, irradiated silicon and neutron production.[2]

5.3 In November 2015, the Federal Government announced a short list of potential sites for the National Radioactive Waste Management Facility (NRWMF), which is expected to be completed by 2020. Once operational, this facility will provide for the centralised and permanent storage of radioactive waste currently stored at more than 100 sites across Australia. These sites include hospitals and medical facilities, scientific organisations such as ANSTO, universities and industrial facilities associated with mining.[3]

5.4 ANSTO's available waste storage at Lucas Heights will be at capacity in early 2017, well before the NRWMF will become operational. Consequently, the 2015-16 federal budget provided funding to allow ANSTO to extend two of its existing waste storage facilities to provide the necessary additional storage.[4]

5.5 The estimated cost of the project is $22.3 million, excluding GST.

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1 ANSTO, submission 1, p. 4.

2 ANSTO, submission 1, p. 3.

3 ANSTO, submission 1, p. 3.

4 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, p. 1.

5.6 The project was referred to the Committee on 3 February 2016.

## Conduct of the inquiry

5.7 Following referral, the inquiry was publicised on the Committee's website and via media release.

5.8 The Committee received one submission and two confidential submissions regarding the project costs and risk register from ANSTO, one submission from the Australian Conservation Foundation and one submission from the Medical Association for Prevention of War and the Public Health Association of Australia. A list of submissions can be found at Appendix A.

5.9 The Committee received a briefing from ANSTO and conducted public and in-camera hearings in Melbourne on 5 April 2016. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.[5]

## Need for the works

5.10 While the NRWMF is being sited, constructed and licensed, radioactive waste generated from ANSTO's operations will continue to be temporarily stored at its Lucas Heights campus. However, increasing domestic and international demand for the nuclear medicines produced at ANSTO, as well as the need to decommission end-of-life nuclear facilities, mean that ANSTO's available waste storage will be at capacity in early 2017, before the NRWMF is planned to be operational.[6]

5.11 The proposed works will provide additional storage for both low level solid waste (LLSW) and intermediate level solid waste (ILSW).[7] Dr Paterson, Chief Executive Officer, ANSTO commented on the national importance of the works:

> Without additional interim waste storage capacity, our ability to operate within our regulatory framework will be compromised, and we would have to cease critical business operations, including the production of life-saving nuclear medicines. Accordingly, these works are of national importance.[8]

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

6 ANSTO, submission 1, p. 3.

7 ANSTO, submission 1, p. 4.

8 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, p. 1.

5.12 Additionally, the works will further enhance both safety and security features, keeping ANSTO in line with current world best practice and maintaining Australia's record in nuclear safety and security.[9]

5.13 At the public hearing ANSTO discussed the importance of nuclear medicine in diagnosis and therapeutics:

> The quality of nuclear medicine imaging has improved with every generation and the amount of isotope that we have used goes down per patient in every generation that we apply it. Today, technetium-99m is by far and away the cheapest and most efficacious diagnostic isotope used anywhere in the world. Eighty-five per cent of nuclear medicine procedures, 40 million to 45 million procedures a year are based on the production of this isotope. …
>
> The other type of nuclear medicines that are produced in the OPAL reactor are therapeutic isotopes. … Iodine-131 is used therapeutically to treat thyroid cancer and has been a very, very successful application for many decades now in the treatment of thyroid cancer. More recently, based on work that has been undertaken in Europe, mainly in Germany, we have introduced to Australia a new therapeutic isotope, lutetium-177. Based on the work in Germany, this is particularly effective against neuroendocrine tumours. [10]

5.14 Submissions from the Australian Conservation Foundation (ACF) and from the Medical Association for Prevention of War and the Public Health Association of Australia supported the allocation of funds for extended interim storage capacity at Lucas Heights pending outcomes of the NRWMF.

5.15 Notwithstanding the support for interim storage, these organisations queried ANSTO's longer term forecasts of nuclear waste production and storage requirements. Specifically they questioned whether Australia would increase its reactor production of isotopes, suggesting that cyclotron production would improve Australia's security of supply of isotopes, reduce taxpayers expenditure and reduce radioactive waste production. The ACF also queried ANSTO's assertions that one in two Australians will require a nuclear medicine in their lifetime.[11]

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9 ANSTO, submission 1, p. 5.

10 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, pp. 1-2.

11 Australian Conservation Foundation, submission 2, pp. 5-7; Medical Association for Prevention of War and the Public Health Association of Australia, submission 3, p. 3.

5.16 Dr Paterson responded to these queries at the public hearing and affirmed his confidence that there is no viable alternative in the short to medium term for the production of the medical isotypes in Australia other than by fission or neutron capture in a reactor. On the question regarding the number of Australians to benefit from nuclear medicine, Dr Paterson stated:

> There has also, I believe, been a question raised as to whether one in two Australians will benefit from nuclear medicine in their lifetime. This is based on the amount of material that we ship—the number of doses that are taken up every year in the Australian setting. It has been calibrated against the data from the US and I think it is clear that, as we have an ageing population and the indications are required mainly in the context of ageing populations, we can already see that one in two Australians during the course of their lifetime will have a procedure based on nuclear medicines. It is likely, if you take some scenarios, that that might even expand. [12]

5.17 At the public hearing the Committee queried the sense of urgency for an extension of the existing facility, particularly in view of existing planning for the NRWMF. Dr Paterson advised that although planning for waste storage was ongoing, and the limits of the existing storage facilities at Lucas Heights known, the need to store waste returned to Australia from France in 2015 and the understanding that the NRWMF would not be available until 2020, had resulted in the need to expand the current storage facilities and contributed to the sense of urgency.[13]

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

## Options considered

5.19 The proposed waste storage extensions and upgrades will have a life of approximately five years before they are at capacity. Dr Paterson stated that planning for the additional five years seemed to be prudent, given the advanced state of discussion about the NRWMF.[14]

5.20 At the public hearing representatives from ANSTO commented on the waste storage options considered, including a business-as-usual case, the short term reduction of the volume of waste, and building more extensive waste facilities:

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12 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, pp. 1, 6-7.

13 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, p. 7.

14 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, p. 5.

> We have sought to get a balance of a conservative, low-cost approach for the short-term—the five-year period—while at the same time getting the improvements which will allow our practice to continue to evolve…. On balance, I think that is the most effective and lowest cost approach to the use of public resources.[15]

5.21 The Committee found that ANSTO has considered the available options to deliver the project and has selected the most suitable option.

## Scope of the works

5.22 ANSTO have separated the scope of work into two major components:

5.23 **Building 27 (ILSW) Extension Project**

- duplication and upgrade of the current retrievable storage pits, and extending the building towards the east. The new retrievable storage pits within the new extension will utilise current design practices and will have greater storage capacity than the existing pits;
- provision of all equipment required to operate the new extension as per current operating procedures of ANSTO Waste Management Services;
- the façade of the entire facility will be upgraded, enhancing physical security; and
- upgrade of electronic and physical security of the facility as required.[16]

5.24 **Building 20B/57 (LLSW) Extension Project**

- extension to the current Building 20B facility, connecting it to the existing B57 facility;
- the extension will increase the storage capacity for standard LLSW being stored in various forms such as standard drums, compressed into overpacks and also storage of decommissioning/demolition waste from across site (excluding the decommissioning of the High Flux Australian Reactor (HIFAR) Reactor);
- the process flow of the new and existing facility will be revised, and if possible enhanced in order to centralise site storage of LLSW; and
- provision of a new overhead building crane for material handling.[17]

5.25 The project also includes:

- implementation of works as required for minimising or eliminating any disruptions to the current operation of both facilities;

15 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, p. 4.

16 ANSTO, submission 1, p. 6.

17 ANSTO, submission 1, pp. 6-7.

- upgrade to active ventilation systems;
- upgrade to electrical infrastructure as required;
- minor refurbishments or equipment relocation of the existing facilities to enhance the waste management process flow; and
- road works as required by the Building Code of Australia and for the passage of heavy vehicles for the eventual loading of stored waste for dispatch to the NRWMF. Those road works will comply with requirements of NSW Roads and Maritime Services.[18]

5.26 At the public hearing representatives of ANSTO stated that it has invested approximately $50 million in constructing facilities for waste storage and conditioning over the past 20 years. A number of the facilities at ANSTO can be repurposed, for example, as waste processing facilities or an expansion to graduate facilities.[19]

5.27 The two projects are being delivered under different schedules due to ANSTO's operational priorities. As the ILSW storage capacity will be exhausted in early 2017, this extension project is being expedited to deliver the new extension by that time, subject to Parliamentary approval. The LLSW extension project is expected to be operational by April 2018.[20]

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

## Design and regulatory considerations

5.29 ANSTO has performed in-house conceptual design for both facilities, in particular specialised nuclear design aspects such as radiological shielding requirements. The concept stage option study for the B20B/57 (LLSW) extension will be performed by an external architectural consultant in order to better understand the waste process flow, technical and construction challenges and price for the currently proposed options.[21]

5.30 The B27 (ILSW) Extension does not require an external option study as the location and proposed size of the extension is known based on ANSTO's operational experience.[22]

5.31 The ILSW will be stored in well-engineered, deep storage pits within the facility with appropriate concrete shielding walls, minimising external radiation to well below safe levels. The pits will be water proof and

18 ANSTO, submission 1, p. 7.

19 Mr Lubi Dimitrovski and Dr Paterson, ANSTO, transcript of evidence, 5 April 2016, pp. 3, 7-8.

20 ANSTO, submission 1, pp. 9-10.

21 ANSTO, submission 1, p. 14.

22 ANSTO, submission 1, p. 14.

isolated from the water table, with the added assurance of routine water table sampling from a nearby well by the ANSTO environmental monitoring unit. The ILSW will be retrievable for eventual storage at the NRWMF.[23]

5.32 The LLSW will be stored as per international best practise in dedicated containers and stacked for routine monitoring and if required, maintenance. The facility shall provide appropriate shielding walls to reduce external radiation dose to well below safe levels.[24]

5.33 ANSTO will provide a full submission to the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) for approval in order to include the new extensions under the current facility licences prior to operation. The extensions will not require a new licence.[25]

5.34 ANSTO may be required to make appropriate submissions or notifications to the Australian Safeguards and Non-proliferation Office (ASNO) through the Security and Safeguards division of ANSTO.[26]

5.35 Proposals for any future modifications and/or new construction associated with either facility will require the approval of ANSTO's Safety Assurance Committee and, if significant, of ARPANSA.

5.36 At the public hearing the Committee queried ANSTO about receiving regulatory approvals for the proposed works within the timeframes required to construct the facilities. Dr Paterson responded:

> The timescales are challenging but not impossible. In the case of the complexity of the solutions we are proposing, they are already well enveloped by practices we have on the site, so we are not inventing new types of waste management, in this particular case. We have already opened up discussions with all of the regulators, in terms of both the extension of these facilities and the likely timescales of the project, subject to the approval of this committee. My view is that the regulatory management process needs to have its own integrity and time line, and we do not determine that and do not seek to put inappropriate pressure on the regulators, in any way. We have seen the regulators act effectively on the time lines that we have for these projects, in the past, and since we are not

23 ANSTO, submission 1, p. 15.
24 ANSTO, submission 1, p. 15.
25 ANSTO, submission 1, p. 14.
26 ANSTO, submission 1, p. 15.

> introducing any new regulatory principles and it is enveloped by the current operations the risk is low to negligible.[27]

5.37 Nevertheless, the Committee requires ANSTO to keep it updated on any ARPRANSA or ASNO requirements which affect the scope or cost of the proposed works.

## Environmental considerations and community impacts

5.38 The proposed extensions will be built on brownfield sites as they are currently within the existing facilities' boundaries.[28]

5.39 In general, construction of the facility extensions will result in short term, localised, small–scale impact to soils, air quality, flora and fauna, noise, visual amenity and landscape. Management protocols by the principal contractor will restrict any impact on surface runoff and erosion, and mitigate any other environmental effects.[29]

5.40 ANSTO anticipate only minimal disruption to the local community in surrounding suburbs (Menai-Heathcote) both during and post construction. There is not likely to be a large number of truck movements during the construction phase. Additionally, there will be no increase to radiation levels at ANSTO or the surrounding suburb.[30]

## Cost of the works

5.41 The estimated cost of the project is $22.3 million, excluding GST.

5.42 ANSTO provided further detail on the project costs in the confidential submission and during the in-camera hearing.

5.43 The Committee considers that the cost estimates for the project have been adequately assessed by ANSTO and the Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating, the Committee makes no comment in relation to this matter.

## Committee comments

5.44 The Committee did not identify any issues of concern with ANSTO's proposal and is satisfied that the project has merit in terms of need, scope and cost.

5.45 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

27 Dr Adrian Paterson, ANSTO, transcript of evidence, 5 April 2016, p. 7.

28 ANSTO, submission 1, p. 11.

29 ANSTO, submission 1, p. 11.

30 ANSTO, submission 1, p. 11.

value for money for the Commonwealth and constitutes a project which is fit for purpose, having regard to the established need.

### Recommendation 6

5.46 **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 Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade.**

### Recommendation 7

5.47 **The Committee requires that the Australian Nuclear Science and Technology Organisation (ANSTO) provide it with an update on any regulatory requirements, as sought by the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) and the Australian Safeguards and Non-proliferation Office (ASNO), which affect the scope or cost of the ANSTO Management Facilities' Extension and Upgrade project. This update should be provided as soon as the information is available.**

5.48 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.

**Senator Dean Smith**

**Chair**

**2 May 2016**

A

# Appendix A – List of Submissions

## Fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW

1. Australian Taxation Office
    1.1 Confidential

## Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic

1. Department of Defence
    1.1 Confidential
    1.2 Department of Defence

## AIR5428 Phase 1 – Pilot Training System Facilities Project

1. Department of Defence
    1.1 Confidential
    1.2 Department of Defence
2. Wellington Shire Council

## Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade

1. Australian Nuclear Science and Technology Organisation
   - 1.1 Confidential
   - 1.2 Confidential
2. Australian Conservation Foundation
3. Medical Association for Prevention of War, Australia, Inc. and Public Health Association Australia

B

# Appendix B – List of Hearings and Witnesses

## Fit-out of new leased premises for the Australian Taxation Office located in Gosford, NSW

### Tuesday, 15 March 2016 – Canberra

### Public Hearing

For the Australian Taxation Office

Mr Justin Untersteiner, Assistant Commissioner, Australian Taxation Office

Mr Dom Di Luzio, Director, Cushman & Wakefield

Mr Kieran McLaughlin, National Director, Project Management & Consultancy, Cushman & Wakefield

Mr Cormac Ryan, Associate, Altus Group,

Ms Jenny Deacon, Associate – Interior Designer, Group GSA

Mr Gavin Edgar, General Manager – Development, Doma Group

In-Camera Hearing

Five witnesses

## Puckapunyal Military Area High Voltage Power Supply Upgrade, Puckapunyal, Vic

## Tuesday, 5 April 2016 – Melbourne

## Public Hearing

### For the Department of Defence

Brigadier Noel Beutel, Director General, Capital Facilities and Infrastructure, Department of Defence

Colonel Marcus Constable, Commandant, Combines Arms Training Centre and Senior Defence Force officer of the Puckapunyal Military Area

Lieutenant Colonel Matthew Gallagher, Project Director, Capital Facilities and Infrastructure, Department of Defence

Mr Bernard Richards, Project Manager, DSC, Aurecon Australia Pty Ltd

Mr Matthew Ford, Project Manager, Jacobs Australia Group Pty Ltd

Mr Craig Velt, Regional Customer and Community Manager – North, AusNet Services

### In-Camera Hearing

Six witnesses

## AIR5428 Phase 1 – Pilot Training System Facilities Project

## Tuesday, 5 April 2016 – Melbourne

## Public Hearing

### For the Department of Defence

Brigadier Noel Beutel, Director General, Capital Facilities and Infrastructure, Department of Defence

Mr Hayden Kozlow, Project Director, Capital Facilities and Infrastructure, Department of Defence

Air Commodore Adam Rayce Brown, Director General, Aerospace Maritime Training and Surveillance, Capability Acquisition and Sustainment Group, Department of Defence

Group Captain Christopher Hake, Director Air Training Transition Office, Air Force Headquarters, Department of Defence

Group Captain Mark Anthony McCallum, Officer Commanding Air Training Wing Senior ADF Officer East Sale, RAAF, Department of Defence

Mr Craig Simpson, Contractors Representative, Laing O'Rourke Australia

Mr Stephen Carter, National Director Defence, Currie and Brown

Ms Stacey Hannon, Director, Estate and Environmental, Department of Defence

### In-Camera Hearing

Eight witnesses

## Australian Nuclear Science and Technology Organisation Waste Management Facilities' Extension and Upgrade

## Tuesday, 5 April 2016 – Melbourne

## Public Hearing

### For the Australian Nuclear Science and Technology Organisation

Dr Adrian Paterson, Chief Executive Officer, ANSTO

Mr Con Lyras, General Manager, Engineering and Capital Programs, ANSTO

Mr Lubi Dimitrovski, General Manager, Engineering and Capital Programs, ANSTO

### In-Camera Hearing

Three witnesses