



Australian Government
Defence

Air Commodore Ron Tilley
Director General
Capital Facilities and Infrastructure

Mr Graham Perrett MP

Chair

Parliamentary Standing Committee on Public Works

Parliament House

CANBERRA ACT 2600

Dear Mr Perrett,

**DEPARTMENT OF DEFENCE'S RESPONSES TO QUESTIONS ON NOTICE
FROM THE PUBLIC HEARING: FISHERMANS BEND REDEVELOPMENT
PROJECT**

1. I am writing in response to questions taken on notice during the Public Works Committee's Public Hearing into the Fishermans Bend Redevelopment Project on 16 August 2023.
2. The Department of Defence's responses to the questions, as recorded in the Hearing transcript, are detailed in Enclosure 1.
3. Please do not hesitate to contact me if you require any further information.

Yours sincerely,

RM Tilley

Air Commodore

Director General Capital Facilities and Infrastructure

29 August 2023

Enclosure:

1. Department of Defence's responses to Questions on Notice from the Public Hearing: Fishermans Bend Redevelopment Project

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ENCLOSURE 1

Department of Defence's Responses to Questions on Notice from the Public Hearing: Fishermans Bend Redevelopment Project

Serial	Committee Member	Question	Defence's Response															
PUBLIC HEARING																		
1.	Mrs Andrews	(a) <i>Would you be able to give any indicative costs of what may be involved with some sort of secure gate access? (ie, estimated cost of an unmanned double gate (or similar) system at the Turner street end of the DSTG site to allow for pedestrian access).</i>	<p>The indicative cost for a pedestrian access gate on the site's southern boundary (Turner Street) is \$1.6 million. A breakdown of the cost is as follows:</p> <table><tr><th>Serial</th><th>Project Element</th><th>Cost (\$m)</th></tr><tr><td>1</td><td>Trade Costs (including preliminaries, demolition, gate, footings, electrical, ICT, security works).</td><td>1.0</td></tr><tr><td>2</td><td>Risk Provision</td><td>0.2</td></tr><tr><td>3</td><td>Professional fees and other Defence costs (ICT, etc.)</td><td>0.4</td></tr><tr><td>4</td><td>Total Project Costs</td><td>1.6</td></tr></table>	Serial	Project Element	Cost (\$m)	1	Trade Costs (including preliminaries, demolition, gate, footings, electrical, ICT, security works).	1.0	2	Risk Provision	0.2	3	Professional fees and other Defence costs (ICT, etc.)	0.4	4	Total Project Costs	1.6
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4	Total Project Costs	1.6																
		(b) <i>What is your view of the safety, security and need for such site access to be put in place? And would it be safe and secure for such a gate to be unmanned?</i>	<p>An unmanned pedestrian gate on the Turner Street side of the site would be safe and secure, provided the following controls are in place:</p> <ul style="list-style-type: none">• Pedestrians require a current Defence Common Access Card for access;• Use is restricted to Defence employees only who work at the site;• One person at a time can access the pedestrian gate;• Operation of the pedestrian gate is during restricted hours, such as 6:00am to 6:00pm, Monday to Friday only;• The pedestrian gate is illuminated outside of operating hours; and• The pedestrian gate is monitored via CCTV by the security guards located at the Lorimer Street Guard House. <p>A similar pedestrian gate system is currently in use at the DSTG Edinburgh site in South Australia.</p>															

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Serial	Committee Member	Question	Defence's Response
2.	Mr Zappia	<i>Would it be possible for you to provide that information (how many employees work at the DST group site) to the committee, in terms of the actual numbers a decade ago?</i>	In 2013 there were 737 Australian Public Servants working at DSTG Fishermans Bend. Defence does not have information relating to the number of site-based contractors working on the site in 2013.
3.	Mrs Andrews	<i>(a) Could I ask you to review existing state government policies in relation to natural gas for industrial purposes and advise the committee of your views in relation to any potential impact on this project.</i>	<p>On 28 July 2023, the Victorian Government announced that from 1 January 2024, planning permits for new homes and residential subdivisions will only connect to all electric networks, with houses taking advantage of more efficient, cheaper and cleaner electric appliances. As part of the announced changes, the Victorian Government will also build all new government buildings as all-electric, including new schools and hospitals.</p> <p>The project scope does not include any new buildings, except for the fire water tank and pump compound and the front entry precinct guard box. These new buildings will not be fitted with a natural gas connection. The replacement of existing gas-powered plant and equipment within the site does not form part of the project scope.</p> <p>The relevant project scope, being the replacement of existing in-ground natural gas reticulation systems, complies with the Victorian Government policy. It is anticipated that in time, existing gas-powered building services on the site will reach the end of their useful life and be replaced by electric appliances, which is in line with the new Defence Net Zero Strategy policy. Notwithstanding this, the replacement of in-ground natural gas reticulation systems has an enduring requirement to support some gas-powered specialist equipment at the DSTG Fishermans Bend site, as there is currently no viable electric alternative.</p>

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Serial	Committee Member	Question	Defence's Response
		<i>(b) Is it possible to repair and maintain the natural gas pipeline?</i>	<p>The natural gas supply pipework is in a poor condition and, based upon site inspections by the Managing Contractor and the design engineers during design development, repairing and maintaining the natural gas pipeline in its current deteriorated state is not recommended due to safety and operational reasons.</p> <p>Safety issues that could become evident with a failing natural gas reticulation network include leaking gas infrastructure (both internal and external to buildings) which has a risk of inhalation by personnel and/or the chance of an explosion. As the current natural gas infrastructure system is in a poor and deteriorated condition, it cannot be relied upon to support DSTG's operational needs for supply of natural gas.</p>
		<i>(c) How long can the existing natural gas pipeline be maintained?</i>	<p>The industry standard for the design life of a natural gas pipeline is 30 years. The natural gas pipeline network at the site is approximately 50 years of age.</p> <p>There have been two failures of the natural gas pipeline in the last two years, both as a result of corrosion in the pipeline. Based on the age of the network, it is expected that the frequency of failures will increase as the network continues to deteriorate.</p> <p>Continuing the reactive maintenance approach will result in an increased safety risk, increased maintenance costs and increased downtime across the network, which will negatively affect DSTG's ability to deliver its core business.</p>
		<i>(d) What is the cost per annum of maintaining the existing natural gas pipeline?</i>	<p>The annual cost of inspections of the natural gas reticulation system is approximately \$13,000. The cost of two reactive maintenance tasks (gas leaks) during the last 2 years was approximately \$17,500.</p>

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Serial	Committee Member	Question	Defence's Response
		<i>(e) What are the options and costs to replace natural gas on site with an alternative energy source?</i>	<p>The indicative cost to replace natural gas with an alternative energy source to 13 buildings that contain gas fuelled heating and hot water equipment and 3 buildings that contain gas fuelled scientific equipment is in the order of \$150 million. This replacement will likely require an upgrade to the electricity supply to the site and the site-wide HV and LV infrastructure.</p> <p>There is no identified viable electric alternative for existing gas-powered specialist equipment to meet Defence's current operational needs.</p>

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