

Issues and Conclusions

The Role of RMAF Butterworth

- 3.1 The ADF participates in and supports a range of operational activity from RMAF Butterworth, including the rotational deployments of Rifle Company Butterworth, regular deployments of Maritime Patrol Aircraft, and involvement in several multinational exercises each year.¹
- 3.2 In addition to exercising its formal obligations associated with the FPDA, the Australian presence at RMAF Butterworth demonstrated the important role of the ADF in providing logistical support to unforeseeable events including natural disasters, as in the recent tsunami.
- 3.3 A total number of 166 ADF members are permanently deployed to RMAF Butterworth comprising 40 RAAF personnel and 120 Army personnel attached to Rifle Company Butterworth.²

1 Appendix C, Submission No. 1, paragraph 10.

2 *ibid.*, see Table 1, paragraph 13.

Rationalisation of Facilities

- 3.4 According to the title of the department's Statement of Evidence, the objectives of the proposed works are to rationalise facilities for the Australian Defence Force presence at RMAF Butterworth.
- 3.5 However, it was not clear to the Committee what specific facilities were intended to be 'rationalised'. The department stated that an objective of the current proposal is to:
- ...rationalise ADF facilities on the base, improve the functionality and security of the facilities the ADF is to use in the future, and provide the opportunity to return some facilities to the RMAF.³
- 3.6 Arguably the reference to a rationalisation of facilities is misleading. The one, and apparently only, opportunity documented in the department's Statement of Evidence for rationalisation is the collocation of all administrative and headquarters elements on one site.⁴
- 3.7 Defence informed the Committee that although the functional design brief for the project included an option for one headquarters building, the department opted for the *status quo* for the reason that the ADF facilities are integrated and adjacent to Malaysian facilities. The decision to demolish and rebuild the current headquarters buildings on the same sites would allow for building architecture and style to be harmonised with existing Malaysian buildings.⁵
- 3.8 According to Defence, to provide all headquarters facilities at one single site would place pressure on available land, and require a multistorey building the costs of which, principally due to infrastructure costs, would exceed the current budget.⁶
- 3.9 The Committee concurred with the department's explanation in favour of demolishing the existing three headquarters buildings, and providing three new buildings.

3 *ibid.*, paragraph 18.

4 *ibid.*, paragraph 37.

5 Appendix D, Official Transcript of Evidence, page 3.

6 *loc.cit.*

Transit Accommodation

- 3.10 Part of the current proposal involves additions and alterations to existing transit accommodation to improve amenities and standards for transit personnel. According to the department's main submission the standard of transit accommodation is such that some non-commissioned officers and officers have had to be located outside the secure perimeters of the base. The proposed upgrade will provide improved facilities to accommodate these personnel on base and provide an integrated accommodation solution to meet the needs of ADF members.⁷
- 3.11 The Committee sought an explanation as to why the existing accommodation arrangements could not be retained.⁸
- 3.12 Defence responded that the transit accommodation on base was currently being used. However, that accommodation had a number of issues including; ceilings that are not fire rated and untreated water supplies to ablution facilities. The proposed upgrades will address these deficiencies. Further Defence informed the Committee that concern for the security of members accommodated outside the secure perimeter of the base was an issue of priority that the proposed works would address.⁹
- 3.13 In terms of the numbers of occupants the Committee queried how Defence had arrived at the number of transit personnel, quoted in the main submission as 332.¹⁰
- 3.14 Defence explained that the number of 332 was calculated as the normal number of personnel accommodated in each of the rooms. However according to Defence in the event of an accommodation surge, for example during operational exercises, this number could be increased by additional beds provided in each room, so that a two person room could become a four person room for the duration of the operation, and so on.¹¹
- 3.15 The Committee was also interested in how often transit accommodation was fully utilised.¹²
- 3.16 Defence informed the Committee that transit accommodation was usually fully occupied when exercises were being held. According to Defence:

7 Appendix C, paragraphs 30 and 47.

8 Appendix D, page 5.

9 loc.cit.

10 loc.cit.

11 loc.cit.

12 Appendix D, page 6.

We have two exercises a year, normally in April, May or September...the last exercise...Bersama Shield, which was run in April-May this year...had in excess of 450 people accommodated on base.¹³

- 3.17 The Committee also sought clarification as to whether the nature of transit accommodation is suitable for the expected life of the buildings in the new project.¹⁴
- 3.18 Defence responded that it was satisfied that the current proposal relating to the proposed upgrades to transit accommodation was the better option compared to the building of additional transit accommodation.¹⁵

Infrastructure Works

Sewerage Works

- 3.19 In its Statement of Evidence, Defence refers to the failure of the existing sewerage treatment plant at RMAF Butterworth. According to the evidence, the plant is inoperative leading to sewerage overflows inside the accommodation ablution area, creating a health hazard and inconvenience to those affected. Upgrading of the base system with is the responsibility of the RMAF is not planned for the near future.¹⁶
- 3.20 During the Inquiry, the Committee expressed its concerns that the upgrade of the existing treatment plant may fall to the Commonwealth by default. In response, Defence advised that as part of the current development, a packaged sewerage treatment plant solely for the benefit of ADF members on-base would be installed.¹⁷
- 3.21 Defence stated in its Statement of Evidence that the installation of the new plant would involve cutting and sealing existing sewer lines and the installation of new mains. According to Defence the new plant would be designed around a 750 person capacity including aeration modules, pumps and dosing system to meet its requirements.¹⁸

13 loc.cit.

14 loc.cit.

15 loc.cit.

16 Appendix C, paragraph 31.

17 Appendix D, page 4.

18 Appendix C, paragraph 59.

- 3.22 The new plant had the advantage of the possibility of disposal and recouping some expense to the Commonwealth at a time when the base system is restored and upgraded.¹⁹

Water and Energy

- 3.23 Defence informed the Committee that water conservation measures would include the goal of reducing stormwater and sewerage outflows.²⁰
- 3.24 According to evidence provided by Defence, the measures proposed to be adopted include the use of triple-A rated taps and the collection, treatment and recycling of water from showers, toilets and ablutions for use in landscaping irrigation.²¹
- 3.25 With regard to energy targets, Defence informed the Committee that it would be seeking a 20 percent reduction on the minimum standards described in the BCA through the application of a variety of measures, including:
- an increased temperature set-point of 26 degrees for air-conditioned areas;
 - passive roof ventilation in all of the new buildings;
 - 10 millimetre *Suncool* single glazed windows;
 - low absorption roof colours; and
 - time-based controls for lighting and other plant and equipment, including air-conditioning.²²

Water Supply

- 3.26 Defence stated in its Statement of Evidence that the existing water supply system on the base is below Australian potable water standards. It is proposed that reverse osmosis water treatment will be used to purify water for personal use. New filtration and purification systems will be installed in the sleeping accommodation area and hot water will be supplied from roof mounted solar systems. As noted above, untreated

19 Appendix D, loc.cit.

20 Appendix C, paragraph 66.

21 Appendix D, page 8.

22 loc.cit.

water will be used for toilet flushing, mechanical plant and garden watering.²³

Maintenance

3.27 In previous Inquiries, the Committee has been concerned with the quality of maintenance provided by the department in sustaining the Defence Estate. In the context of the current project the department stated in its Statement of Evidence that:

Earlier ADF works have largely been repairs and maintenance. Recently, an upgrading of the aviation fuel farm has been undertaken, and a range of repair and rehabilitation works have been carried out on accommodation buildings and the combined mess. These works were predominantly related to the age and condition of the facilities, and in the case of the combined mess, followed its partial closure following OH&S concerns.²⁴

3.28 The Committee sought an elaboration of the department's commitment to the post-construction maintenance of the current project, seeking details as to what warranties the contractor will be subject to in terms of assurances that the buildings operate properly and are consistent with specifications. The Committee also sought details of any building maintenance schedules initiated by Defence that would ensure the life of the buildings.²⁵

3.29 In addressing the matter of maintenance in the immediate post-construction period, Defence explained that all of its contracts include warranty periods up to three years on all new plant and equipment, as well as a defects liability period which is of the order of 12 to 18 months on all new construction. According to Defence:

...the managing contractor will be required to have a presence and come back to rectify anything that occurs during the defects liability period...In addition all of the subcontractors who will perform the work will be Malaysian subcontractors and they would be around to be able to be brought back to remedy defects.²⁶

3.30 On the specific issue as to whether Defence had an ongoing maintenance program for RMAF Butterworth, including the new works, it was explained that:

23 Appendix C, paragraph 58. See also paragraph 3.15 above.

24 *ibid.*, paragraph 68.

25 Appendix D, page 8.

26 *loc.cit.*

...there is an allocation of funds each year for the ADF elements at Butterworth to undertake facilities operations and maintenance. [We] do not expect any increase in these costs as a result of the works. The base commander utilises a mixture of local labour and local contractors to undertake any routine maintenance that is required. The other point to make is that [we] will be using technology which will be able to be repaired and maintained by the capabilities of the construction industry in the area, so [we] are quite confident that we are not creating something that will be unsustainable.²⁷

Removal of Hazardous Materials

- 3.31 The Committee sought assurances from Defence that the removal of any hazardous material would be in compliance with both Australian and local standards and regulations.
- 3.32 Defence informed the Committee that there existed a Malaysian regulatory regime that imposed obligations on local licensed contractors to safely remove and dispose of asbestos. Defence indicated that it had used these services in the past, and a similar practice will be followed for the current works. The managing contractor will be required to supervise the works and ensure they are conducted in accordance with Malaysian and Australian standards to the satisfaction of the independent project management contract administrator.²⁸
- 3.33 Defence elaborated on the removal of a small area of hydrocarbon contamination expressing confidence that, because it was confined to a concrete slab, the affected material could be removed with little difficulty.²⁹

Heritage

- 3.34 The Department states in its main submission that a Heritage Impact Assessment in relation to the proposed new headquarters buildings was undertaken in 2005. It concluded that the proposed demolition of the

27 loc.cit.

28 *ibid.*, page 9.

29 loc.cit.

existing structures would not fundamentally affect any of the identified Commonwealth heritage values of RMAF Butterworth and recommended that a photographic record be taken during the course of the project. The proposed new structures are being designed in sympathy with the historic and aesthetic values of the site. Extensions of existing facilities will be designed and constructed so as to match the style and finish of existing buildings.³⁰

- 3.35 The Committee sought clarification as to the heritage value of the site, and whether that value refers to an Australian standard or an equivalent Malaysian standard.³¹
- 3.36 In responding, Defence referred to its Statement of Evidence, and the requirement of the Heritage Impact Report for buildings that are to be demolished to be photographed and recorded prior to demolition so that there is a permanent record of those. As to whether the Malaysian Government may have concerns with the demolition of some buildings on base for heritage reasons, Defence advised the Committee that the Malaysian Government had no issues with the replacement of old facilities with new facilities.³²

Cost

- 3.37 The Committee is asked to approve an estimated out turn cost for this project of \$A23.6 million. This cost includes:
- design and construction costs;
 - Managing Contractor and consultant fees and charges;
 - an escalation factor through to anticipated project completion; and,
 - project contingency.³³
- 3.38 GST/VAT taxes do not currently apply to construction projects in Malaysia.³⁴

30 Appendix C, paragraph 41.

31 Appendix D page 6.

32 loc.cit.

33 Appendix C, paragraph 87.

34 loc.cit.

Recommendation 1

The Committee recommends the proposed Royal Malaysian Air Force Base Butterworth, Malaysia - Australian Defence Force Facilities Rationalisation proceed at an estimated cost of \$A23.6 million.

Hon Judi Moylan MP

Chair

9 August 2007

