

COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

Reference: RAAF Base Edinburgh, Redevelopment Stage 1, Adelaide

THURSDAY, 24 AUGUST 2000

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JOINT COMMITTEE ON PUBLIC WORKS

Thursday, 24 August 2000

Members: Mrs Moylan (*Chair*), Mrs Crosio (*Vice-Chair*), Senators Calvert, Ferguson and Murphy and Mr Forrest, Mr Hollis, Mr Lindsay and Mr Ripoll

Senators and members in attendance: Senators Calvert, Ferguson and Murphy and Mrs Crosio, Mr Hollis, Mr Lindsay and Mr Ripoll

Terms of reference for the inquiry:

RAAF Base Edinburgh, Redevelopment Stage 1, Adelaide.

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Committee met at 9.00 a.m.

VICE-CHAIR—On behalf of the Public Works Committee I declare open this public inquiry into RAAF Base Edinburgh Redevelopment project stage 1. This project was referred to the Public Works Committee on 29 June 2000 for consideration and report to parliament. In accordance with subsection 17(3) of the Public Works Committee Act 1969, in considering and reporting on a public work, the committee shall have regard to:

(a) the stated purpose of the work and its suitability for that purpose;

(b) the necessity for, or the advisability of, carrying out the work;

(c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;

(d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and

(e) the present and prospective public value of the work.

Yesterday the committee received a briefing and inspected the site of the proposed work. Today the committee will hear evidence from the Department of Defence and the South Australian Water Corporation.

[9.02 a.m.]

BYRNE, Air Commodore Philip Darcy, Commander, Maritime Patrol Group, Department of Defence

KELLY, Brigadier Garry Ross, Director General Project Delivery, Department of Defence

SPEARS, Group Captain William Harper, Commander Aircraft Research and Development Unit, Department of Defence

TOOTH, Wing Commander John Marsden, Project Director, Department of Defence

MACKIE, Mr Campbell James, Managing Director, Savant Pty Ltd

VICE-CHAIR—Welcome. The committee has received a submission from the Department of Defence dated July 2000. Brigadier, do you wish to propose any amendments to that submission?

Brig. Kelly—Yes, thank you, Madam Chair, I would propose three short amendments. Firstly, on page 8, paragraph 26 in the second to last sentence, three words have been left out of that sentence which change the context. We would like to amend to read, 'Option 3 satisfies the requirement of providing the most cost-effective solution; satisfies all functional requirements for the individual sections and obviously ability to rationalise vehicle numbers and co-located equipment maintenance activities to one location at RAAF Base Edinburgh.' Secondly, on page 21, paragraph 64(b), the third dot point, 'Delete from the list of facilities potentially available for demolition, facility number 585' which was an error, 'and 616, 619, 620, 637, 641 and 645' which relate to the armament test facility which we now propose to refurbish rather than relocate.

On page 28, paragraph 83, amend the first sentence to read, 'An environmental certificate of compliance, an AB81, has been issued and this is identified in environmental protection measures.' We had previously indicated that that had not yet been done. Finally there are a number of other amendments that affect only the presentation of evidence, minor grammatical amendments and minor mislabels on sketches. I would like to table a clean copy of that new evidence.

VICE-CHAIR—It is proposed that the submission dated July 2000 be received, taken as read and incorporated in the transcript, and as well as that the amendments that have just been stated by the brigadier. Do any members have any objections? As there are no objections it is so ordered.

The document read as follows —

VICE-CHAIR—Would the representative of the Department of Defence read the summary statement to the committee, after which we will then proceed with questions.

Brig. Kelly—Thank you, Madam Chair. The Department of Defence advocates the construction and replacement of technical, administrative and warehousing facilities as well as an upgrade of trunk engineering services mainly within the technical area at RAAF Base Edinburgh, South Australia. The Australian Defence Force is required to maintain a maritime patrol and surveillance capability with P3 Orion aircraft that are based at RAAF Base Edinburgh and plan to remain in service for the next 15 to 30 years. The elements of the proposed works are in direct support of maintaining that capability. The facilities that are proposed to be replaced, and engineering services that are proposed to be upgraded, have numerous deficiencies.

Generally facilities are old, dysfunctional and located remote from areas of functional responsibility. There is overcrowding, with temporary transportable buildings having to be used. The elements of the proposal were constructed in the 1940s and the 1950s. They are beyond their economic life. There are various noncompliances in regard to the building code of Australia and occupational health and Australian standards. There are security concerns with older, remotely located facilities. The payment of warehouse leasing costs will be alleviated. Engineering services are proposed to be upgraded as they have reached their capacity, are old, suffer frequent failures and are increasingly unreliable. There is also a need to provide additional power in an aircraft hangar as well as a shelter facility to provide protection for aircraft from the elements, especially ultraviolet, and to improve working conditions for personnel.

The proposed works comprise several elements: for the Aircraft Research and Development Unit, a new facility to accommodate headquarters, administration, technical and laboratory staff totalling approximately 172 personnel; replacement hangar workshop facilities of approximately 300 square metres; a ground support equipment storage area of approximately 350 square metres; an aircraft shelter facility to accommodate up to six aircraft; provision of aircraft and general power outlets to an existing aircraft hangar; refurbishment of an armament test support facility and storage space of approximately 1,000 square metres to be co-located in a proposed new joint logistic unit warehouse facility.

For logistics support, firstly, a new integrated logistic support facility is proposed to provide administrative accommodation for the supply functions of Joint Logistic Unit (South) and 92 Wing Logistic settlements, a total of approximately 72 personnel, and the Maritime Patrol Logistics Management Squadron comprising approximately 140 personnel; secondly, a new warehouse of approximately 6,300 square metres to meet the storage needs of the Joint Logistic Unit (South), the Aircraft Research and Development Unit, 92 Wing Logistics Support and the Maritime Patrol Logistics Management Squadron.

The last element of the proposed works is an upgrade of engineering services, mainly in the technical area of the base. These works comprise replacement for upgrade of hydraulic services that includes sewer lines, water reticulation, stormwater works and fire services, limited electrical services, roads and car parking, communications infrastructure which include

telephone, data services and control cabling and, finally, additional ablutions and change room facilities for personnel working in the technical area are proposed.

The cost of the project has been estimated at approximately \$39.9 million. This includes construction costs, professional and management fees, furniture and fittings and a contingency provision. The estimated cost of the project was previously identified at \$37.7 million when it was referred to the PWC for examination. This estimate was based on prices as at December 1999. This estimate has now been out-turned to an April 2003 figure of \$39.887 million. This figure is exclusive of GST. Although Defence is required to pay GST it is fully reimbursable as an input tax credit.

Subject to parliamentary approval of the proposal, tenders will be called in late 2000 with the objective of having construction completed by April 2003. The proposed new facilities would enhance the overall effectiveness of the units, overcoming existing OH&S problems, would improve morale and improve the reliability of the engineering infrastructure. An environmental certificate of compliance has been issued for the proposed works. There are no significant environmental implications resulting from the provision of the proposed works.

In regard to heritage, there are no heritage listed facilities affecting the development sites on RAAF Base Edinburgh. However, some of the existing occupied facilities have been included in an interim list of the Register of the National Estate. A section 30 referral under the AHC Act will be progressed prior to any demolition. Commonwealth, state and local government representatives and instrumentalities have been advised or consulted. That concludes my opening statement.

VICE-CHAIR—Thank you, Brigadier. We will commence questioning now. I am glad you have identified the difference of the \$2 million and I appreciate that for the record. In your management plan or regime you propose to apply, would you like to discuss any risk management or has that been included? Do you feel you have covered everything or do you think you are going to have some problems as you go along?

Brig. Kelly—We are relatively confident in the cost estimate that we have. The facilities that we propose to build are of commercial standard and there are no particular risks in relation to the construction. The main risks in the project are the underground engineering services, but we have proposed a contingency of approximately eight per cent to cover that.

Mr LINDSAY—Apart from the primary defence role of the units on the base, could you explain to the committee the value of the secondary roles to other clients, and I talk about Customs, Quarantine, Immigration, Fisheries. Could you explain that to the committee, please?

Air Cdre Byrne—The Maritime Patrol Group as one of its primary roles undertakes maritime surveillance of the Australian fishing zone, economic exclusion zone. In undertaking our roles we normally fly in the vicinity of 99,500 hours a year. Some 500 hours, approximately, of those hours are flown in support of fisheries surveillance and customs surveillance, when requested. The role of the Maritime Patrol Group does assist our civilian clients to some degree. We do undertake some policing roles on occasion—rarely—but generally fisheries surveillance and sometimes customs surveillance.

Mr LINDSAY—So these works being proposed today also support this secondary role of your units.

Air Cdre Byrne—Certainly. National tasks, as they are termed, as I said, on average comprise in the order of 500 hours per year.

Mr LINDSAY—In relation to defence policy you say in your statement or your submission that the white paper currently being developed is not expected to change this role—the role of RAAF Edinburgh. How confident are you of that statement? What I am really asking you is after the white paper comes down, if we spend the money, are we going to be there for the life of the investment?

Air Cdre Byrne—Mr Lindsay, this is but a personal view—I would not dare to try and anticipate the outcomes of the white paper; I am certain that that is shared by Air Marshall McCormack, the Chief of Air Force—that the Maritime Patrol Group will remain a very significant and primary part of the combat force of the ADF in the future. I fully expect that the maritime patrol capability would certainly be replaced when it comes to the end of its life of type, which is no earlier than 2015.

Brig. Kelly—I would like to add that it would take a very significant change in our strategic outlook to assume that we might not need a maritime patrol capability in the future. In terms of whether that capability should be at this base, however, that was examined in 1998 under the southern airfield study and it was confirmed that this was the appropriate place for the life of type of this aircraft.

Mr LINDSAY—As professional officers of the ADF, you are personally confident that we should make this investment and it would be a proper thing to do?

Brig. Kelly—Certainly from a state planning point of view Edinburgh is the appropriate place and it is difficult to see that we would not have a maritime patrol capability in the foreseeable future.

Mr LINDSAY—In relation to ARDU's proposed relocation, we saw yesterday that there were about 17 buildings that were being used and they are being moved to a new facility which is smaller in physical size. Are you confident that ARDU in the years ahead will have sufficient space to carry out their role?

Brig. Kelly—The concept plans that we have presented to the committee at this stage are based on the known staffing and the estimated requirements of laboratories, workshops and storage and so on. As we get further into the project we will conduct value management studies to ensure that we have the user's requirements fully defined. It is also our policy to provide potential for future expansion in the way we build facilities.

Mr LINDSAY—In relation to the ARDU facilities, is there a road on that side of it? Is there space for construction of extra facilities if that is required in the future?

Brig. Kelly—There is certainly scope for expansion in at least two directions.

Mr LINDSAY—Mr Mackie, do you agree?

Mr Mackie—Yes, I do. Perhaps this drawing here would be helpful to you, Mr Lindsay. You can see the road here. This is the notional footprint of that building and, in fact, you could quite easily double the space of that building should it be required.

Mr LINDSAY—That is fine. In relation to the question of consolidation of workshop elements in the vicinity of ARDU hangar, in your statement of evidence you state:

The replacement of workshops are accommodated in dispersed temporary facilities and for-

and this is the key-

the possible relocation and upgrade of the armament test support section workshops.

I just query the use of the words 'the possible relocation'. Over the page you say:

It may be necessary to construct the weapons drop test, which is within the armament test support section, at a separate location due to noise issues.

By saying 'the possible relocation' and 'It may be necessary', does that mean that you are unclear of what you are putting to the committee today?

Brig. Kelly—When the evidence was presented we had not defined whether we wanted to refurbish or relocate that facility. In the meantime we firmed up that the intention is to refurbish in the current location and the budget provision reflects that. The committee inspected that facility briefly yesterday and had a short demonstration of the noise impact that we are talking about. There is also a small explosive storage facility on that site which impacts to some extent on the siting of it, so we have decided to leave it in its current location.

Mr LINDSAY—In relation to the new warehouse facility, that is a joint warehouse facility, and in relation to the defence industry integrated distribution system, my understanding of DIDS is that contractors who will operate that have been asked to build their own warehouses generally off base. How does that sit with your proposal to build a warehouse on base and bring whoever the contractors might be into an on-base location?

Brig. Kelly—My understanding is that maximum flexibility is being given to the potential contractors for DIDS. However, a number of sites throughout Australia that are identified as being strategically important have been mandated as on base. My understanding is this is a mandated site for on-base storage.

Air Cdre Byrne—The Department of Defence has made a judgment that the LRMP, the maritime patrol capability, is of such strategic importance that it is important to protect the supplies to the aircraft.

Mr LINDSAY—If it is going to be on base, it is my understanding that the contractors who are tendering to the government were going to stand the cost of building whatever warehouses were needed. Is there an opportunity here to exclude the cost of that particular warehouse and leave it to the DIDS process to see if we can get some outside funding?

Brig. Kelly—I understand that at this stage that has not been included in the DIDS tendering.

Mr LINDSAY—Do you mean what has not been included is the opportunity to have an outside tenderer, a private tenderer, build the warehouse?

Brig. Kelly—You will probably find it is an issue.

Mr LINDSAY—What is your view on that? Do you think it should be? How many dollars are we talking about?

Brig. Kelly—Approximately \$6 million.

Mr LINDSAY—That would radically change this proposal, if there was the opportunity to have a private consortia build it.

Brig. Kelly—It would.

Mr LINDSAY—Is there any precedence for the building of private infrastructure on a defence base?

Brig. Kelly—I am not aware of any precedent. We are certainly required by new policy to examine the options for private financing initiatives. We say that, however, as more appropriate for a discrete facility which stands alone. It is much more difficult to construct a facility and then maintain it by a contractor within an area which is maintained in other ways.

 \mathbf{Mr} LINDSAY—Had you considered the point that I have raised here that we may be able to—

Brig. Kelly—I do not believe it has been considered for this proposal.

Mr LINDSAY—Should we consider it, Brigadier?

Brig. Kelly—Given the state of the Defence capital facilities budget, it is worth considering.

Mr LINDSAY—One more matter and I will pass over to my colleagues and come back to you. I should raise the matter of the PABX if I might. In point 63 your evidence was:

The PABX serving the Base is old, increasingly difficult to maintain, and requires replacement.

It goes on to say where the PABX is located and so on. Quite separately the evidence deals with the telephone infrastructure, which is the cabling and so on. Yesterday we saw that the PABX is not old, it is not increasingly difficult to maintain and it does not require replacement. I really understand where you are coming from and I do not think there is a problem with this but, for the record, could we just state what it is proposed to do and why. The fact is that the PABX is serviceable and there is a recommendation that it be removed and reinstalled at another location where it can be better used. The PWC can then make a recommendation in that regard, if it chooses to. Could someone just put that on the record for me?

Mr LINDSAY—It is 1996.

Wing Cmdr Tooth—It has reached its capacity now and there are other issues in regard to this facility: it is not Y2K compliant and there are two separate systems there and they are not compatible.

Mr LINDSAY—It is not the PABX that is not Y2K compliant; the PABX is. It is the facilities that hang off it. Is that right?

Wing Cmdr Tooth—I am not sure of the details.

VICE-CHAIR—Also, following inspection, we have to put on the record that the way it is housed is pretty archaic.

Mr LINDSAY—I agree.

Wing Cmdr Tooth—As part of this project a new node would be required if it was left in its current position. It would need to be constructed down in the technical area of the base to cater for the expansion that is proposed in that area. That would need considerable investment to provide that. Overall we are going to finish up with a better system and it will also address the issues in regard to the rationalisation of the DSTO site at the base. That is the centre for all communications in South Australia.

Mr LINDSAY—There would be one telephone system for both the base and DSTO. Is that right? DSTO will be on the base PABX?

Wing Cmdr Tooth—I am not sure.

Mr LINDSAY—Yesterday we saw two telephone systems.

Mr Mackie—My understanding is that is not the case. This PABX will be dedicated to RAAF Base Edinburgh and the new facilities going on there. Obviously the ARDU facilities coming across from the DSTO site onto this campus will be connected to that PABX. To perhaps add further to Wing Commander Tooth's comments, one of the other issues with the current PABX, apart from capacity issues, as I understand it, is that it is not compatible with Defence security standards for secure communication and data transfer. As you will now know from the information that was provided to you yesterday, the activities of ARDU in particular—and, of course, other things that are happening on the site—require that security classification. That is another rationale or reason for upgrading the PABX. The one that is proposed is compatible with other Defence PABX systems within South Australia and I believe that is a further reason to make that intercommunication for internal communications within Defence in South Australia more effective.

Mr LINDSAY—The operators yesterday were saying that they were running two separate systems from the same location. Is that proposed in whatever the new location is? If it is, why aren't the systems integrated so that any operator can run any part of the system?

Mr Mackie—No, it is not proposed that that will be the case. I think that is further justification for the replacement, as we are advised that the number of staff that will be required to run the new PABX is potentially reduced by two, which gives us a significant annual operating cost saving.

Brig. Kelly—Madam Chair, can I undertake to get back to the committee with a written description of exactly what is proposed?

VICE-CHAIR—You may, and for any further evidence or questions being asked.

Senator FERGUSON—I have a couple of issues I want to raise. One refers to Mr Lindsay's earlier question about the possible 15- to 30-year life span of Edinburgh in the foreseeable future. You used the term that Edinburgh is an appropriate place to have Maritime Patrol. Without wishing to appear too parochial, I guess it is also the most logical place to have maritime patrol if you are looking for the Southern Ocean, east and west and northern areas in conjunction with Butterworth. On the basis of the current technologies that are available, is that what you base your 15- to 30-year life span on with the refits of the Orions and the capabilities they will have? It is both because it is the logical place to have maritime patrol and because of the new technology that the 15- to 30-year life span is foreseeable into the future?

Air Cdre Byrne—Senator Ferguson, the minimum 15-year further life span of the P3C—in fact, it will then be called the AP3C Orion with advent of the current avionics upgrade that is being undertaken—is based upon the fatigue life of the existing airframe. We are actively managing the operation of the aircraft to provide a 15-year minimum fatigue life for the current aircraft. At that 15-year point we will have to do something. We will have to upgrade the aircraft by doing another avionics upgrade. In addition to that we would probably have to do some significant airframe modifications to further extend the life of the aircraft. That could include rewinging the aircraft, putting a new empennage—tail section—on the aircraft and putting new engines on the aircraft. That is one of the three possible options available to us.

Senator FERGUSON—Operating there in a desert—

Air Cdre Byrne—No. Unfortunately that is not a further option. I mentioned yesterday the Unites States Navy in its heyday at the end of the Cold War was operating 650 Orions. They are now looking at operating a minimum of 250 in the post-Cold War era. That will be for the next 20 or 30 years. They face exactly the same block obsolescence problem and they are looking at three options. Those options are pretty much those that are available to us because there are not many manufacturers of maritime patrol aircraft in the world.

The linkage between the life of the aircraft and the availability of RAAF Base Edinburgh is not truly the major driver. The major driver of the life of the aircraft is the fatigue life and the options available to us to replace the aircraft some time after 2015. When we say 2015 to 2030, it is really a reflection of the fact that there are going to be a number of options available to us. One strong option will be to keep the current aircraft and to make airframe modifications to it. If

we take that option, if that is the most cost-effective and efficient option, then it is likely that remaining at RAAF Base Edinburgh will be a strong option aligned with that.

Senator FERGUSON—There is one other issue I wanted to raise. You are aware that we have a submission from SA Water and you do not have to drive around the place for very long to know how flat the country is out there. They have made some recommendations in relation to environmental risks with the washing of aircraft, et cetera. Have you taken up those recommendations or are they still under consideration?

Brig. Kelly—The suggestion that was made by SA Water in their submission that we use the proposed aircraft shelter to protect the wash area has been examined. There would be considerable difficulty with that in terms of washing Orion aircraft because we had not proposed to build anything that large. It is technically feasible with the smaller aircraft at the ARDU end of the apron. However, it would still require us to build additional aircraft shelter so that we were not required to move aircraft every time we wanted to wash another one. A study has been commissioned to look at trade wastes and stormwater run-off from the base. It is expected that tht will be commenced shortly; it has already been commissioned. We are aware of some of the likely outcomes of that and there are other options which we can look at.

Senator FERGUSON—Are you consulting with Salisbury council in relation to stormwater run-off?

Brig. Kelly—I cannot answer that specifically but it would be our practice to consult with local authorities. I can find out.

Wing Cmdr Tooth—Madam Chair, I do believe the local Defence Estate Organisation is in consultation with the local Salisbury council and SA Water.

Senator FERGUSON—The only other issue I want to raise is that of heritage buildings. It seems as though whenever we try to demolish anything on an air base there are always heritage considerations that come up. Could you just briefly outline what you intend to do in relation to the request for heritage buildings to be maintained?

Brig. Kelly—The buildings which are required to be demolished to enable us to build the new facilities are not covered by the interim listing on the RNE.

Senator FERGUSON—I can understand that.

Brig. Kelly—Some of the facilities which we will vacate and which we propose to demolish as part of the clean-up plan and as part of the rationalisation of the area are on the RNE. We will go through a section 30 referral to the AHC to ensure that we do the right thing there. There is a long-term plan within the DSTO area in particular to rationalise our holdings and that does require us to quit a large number of those heritage facilities.

However, Defence does take its obligations to heritage very seriously and we have created what I might call a heritage precinct adjacent to the knowledge building which was approved by this PWC in 1992. In the precinct we have refurbished a number of the existing facilities for new use. Those facilities were suitable for refurbishment because they were appropriately

located and had been used consistently throughout the period leading up to that refurbishment. They had not been allowed to deteriorate to the extent that the hundreds of other buildings in the area had. Within that precinct our intention is to maintain a number of buildings in their original form and in their original layout to preserve the original function of the cordite factory.

Senator CALVERT—Air Commodore, I think yesterday the question was raised about deployment of your P3C Orions to other areas of Australia on a short-term basis when needed. Just how mobile is your force? In these current proposals, are there any special things which have to be put in place to support your mobility function? For instance, if there was a continual infiltration of, say, boat people from the north-east of the country, is there any likelihood you would be stationing one or two P3C Orions in Learmonth or somewhere like that to give you extra capability?

Air Cdre Byrne—Yes, Senator, our normal operation is deployed. We operate a permanent deployment of P3C Orions at Butterworth in Malaysia. The majority of my good training opportunities occur not at Edinburgh, but overseas. We regularly deploy aircraft to the west coast of the United States, to Hawaii. This year we had one aircraft on deployment in Scotland for a major NATO exercise. The raison d'être of our operation is to prepare to operate somewhere else. Indeed, as part of my mandate as commander of the Maritime Patrol Group, I have to plan on operating from bare bases, not fully developed bases—from other RAAF base, Learmonth, Scherger, Curtin—and the more developed bases—Tindal and Darwin—in defence of Australia.

For that reason we have very sophisticated plans to support deployment. We have restructured over the last three years to place technical airmen back into the operational squadrons, so that when a squadron deploys it deploys as a total element—air crew and ground crew. As part of the avionics upgrade we have developed commander control systems that deploy with the squadrons when they go. In response to your question, we expect to deploy and we have planned to do so.

Answering your real question, the proposals that we have here do not significantly impact one way or the other on our ability to deploy. Our ability to deploy is in spite of all of our ongoing long-term support and maintenance functions which have to occur to keep the airframe working. In fact, a significant part of the developments today, the upgrade to the functions of joint logistics units at south and Maritime Patrol Logistics Management Squadron, are essential just to keep the airframe working to 2015.

Senator CALVERT—The reason I got around to that question—I probably asked it back to front—was that it was patently obvious yesterday on the inspection that where your warehouses are situated and the time to get major components through to service your aircraft, given the new proposals, it surely must make efficiency of maintaining your aircraft all that much better. Therefore, I would have thought it would have had a beneficial effect for you—not only operating from Edinburgh but also for deployment purposes. That would be so, wouldn't it?

Air Cdre Byrne—To an extent, yes, though I must admit I believe the significant benefits from having the warehouse close to the flight line is going to be in the amount of time it takes to get aircraft serviceable from when they become unserviceable at Edinburgh, not in the deployed environment.

Senator CALVERT—Given the need for very proficient and efficient air crew and pilots because of the nature of your work, do you have trouble (a) recruiting pilots and, more importantly, (b) keeping them? They are specialists and I would have thought anything you could do to keep them, whether it be through better facilities or improving their morale, would be of some benefit.

Air Cdre Byrne—Absolutely. My former appointment, if I can call on that experience, was as the Director-General of Career Management for Air Force. Pilot retention in the Air Force has been a problem for the last 30 years and will continue to be a problem. It is generally aligned with the health of the economy and as airline recruiting increases we will have a concurrent retention problem with pilots. There are reasons for that. There are what we call push factors and pull factors. The pull factors are the attractiveness of airline employment to pilots. They pay very well indeed. There are also irritants of service life. Some of those irritants are the frequency with which officers and airmen have to move—the posting cycle. There are many others. If I was given a clean slate I would try and minimise the number of irritants in service life which would hopefully have an increase in our retention rate. Anything that goes to upset people in the service will, in fact, be detrimental to us.

Senator CALVERT—This proposal, in some way, should assist.

Air Cdre Byrne—It should certainly assist. As you saw yesterday, some of the working conditions are less than adequate.

Mr RIPOLL—Brigadier Kelly, I want to ask you about the consultation process. You have a fairly extensive list of consultations with external authorities, but I was wondering what you did internally, including what staff consultations might have taken place.

Brig. Kelly—Internally proposals such as this are developed jointly between the sponsor, that is, the Air Force; the user, the base; and my organisation, the Defence Estate Organisation. This project has taken a number of years to come to fruition. It started about four years ago. It went to what is called an estate forum, which is chaired by the head of Defence Estate at this base, late last year and that gave the project departmental approval. All the consultation required, with the sponsors and the users and those people who were going to provide the facility, has been undertaken.

Mr RIPOLL—I was particularly referring to the people who will be working in those units. I am looking at the ground staff, people you have working within the old facilities that will be moving and the consultations you have had with those people.

Brig. Kelly—We presume that the commanders and representatives of those organisations can speak for their people and so in the development of the proposal, when we are broad brushing it, that is generally the level of consultation that we take. However, when we actually get into the delivery of the project, particularly using the managing contractor form of contract, we then go to detailed value management. I would expect there would be considerable periods of consultation on the base by the managing contractor, the project consultant, our people and the actual users, who will be sitting down with the airmen and airwomen who operate within the warehouse, within the workshops and so on, in determining exactly what they need.

Mr RIPOLL—I will ask all of you: in your view, do you think the best interests of not only the base but also the people working there will be taken into account in terms of their work environment and so forth?

Brig. Kelly—I have no doubt. In general we apply commercial standards to, for example, allocation of space for workstations and the layout of workstations, but in particular for anything that is specific, like ARDU's requirements, we would not presume to speak on their behalf and we would go to the individual users to work out what their requirements are and to work out exactly what equipment has to be relocated, what they need to do in that space and how it functions in relation to the other spaces around them.

Mr RIPOLL—In the evidence it says that there is going to be no significant change in the number of personnel engaged in activities—apart from relocating people from DSTO to the actual RAAF base. Can you expand a bit more in terms of what changes there will be once you bring all the facilities closer together—whether there will be people either no longer being needed, or redundant, or whether it is the same people doing the same job but just in different facilities?

Group Capt. Spears—ARDU has been through a business process, re-engineering and commercial support activities over the last three years. The numbers in the test and evaluation areas have come down from 261 to 134. That does not include the contractors that now do the maintenance on our aircraft types at ARDU. That 134 plus the other areas from within Defence—information areas, the corporate support areas, the Joint Logistics Unit (South) areas which would then have their staff inside the ARDU headquarters in the facility—then brings the numbers to about 172. That does include some room for expansion, although that is very small in that particular number.

We have undergone a considerable change at ARDU in the test and evaluation area over the last two to three years. We believe these numbers now have been validated quite extensively and been agreed inside Air Force. They would be the numbers, unless there is a major change to defence policy, which we will live with for the next five to 10 years.

Mr RIPOLL—Wing Commander Tooth, yesterday during the inspection I heard that there are about 2,000 uniformed people, I understand, on the base. Is that correct?

Wing Cmdr Tooth—One thousand five hundred uniformed.

Mr RIPOLL—One thousand five hundred uniformed and 500 non-uniformed people. Is that going to change much with the new facilities—the number in uniform and the number of civilians employed on the base?

Wing Cmdr Tooth—No, I think the situation will just transfer across into the new facilities. There does not seem to be a great difference in the composition or the numbers of the people.

Air Cdre Byrne—Mr Ripoll, I can add to that. There are going to be some further transfers of uniformed manpower staffing into civilian staffing, predominantly as a result of the AP3C Orion project. Of significance there, 92 Wing Logistics operations currently runs an avionics workshop which does bench level maintenance of PC3 Orion equipment. Under the AP3C that

function will be contracted out to a civilian contractor. However, the people who undertake that function are not in one of the facilities being affected by this project. The 5276 impact will not impact this particular project, though overall numbers will change marginally. We are uncertain exactly what the impact will be.

Wing Cmdr Tooth—Could I just add one more comment on to that, in regard to the DIDS project and the warehousing function. A lot of the people will change over to private contractors but the overall numbers have been taken into account in developing the conceptual designs for the new facilities.

Mr RIPOLL—Just on the same issue, with the PABX that we saw yesterday, the actual housing of that system, it is obvious with the two systems that there are people doing different tasks there. I am not sure if I understand whether the plan is to go to one single system and how that will affect the people employed in that area. Maybe somebody could answer that or does anyone know more about that?

Mr Mackie—Mr Ripoll, I think I indicated earlier that it is our understanding that the proposed PABX will probably reduce the requirement for staff by about two people, which we are expecting to produce some operational savings, obviously. I would really like to take the rest of that question on notice, if I may.

VICE-CHAIR—Also, Brigadier Kelly has said, in the answer to Mr Lindsay's question, that you would be bringing a report back to the committee.

Mr RIPOLL—Are they uniformed or ununiformed people working in that area?

Mr Mackie—I cannot answer that. They are civilian.

Mr RIPOLL—So they are all civilian, right.

Mr Mackie—There was a military supervisor. I took him to be a supervisor.

Mr RIPOLL—So that mix would stay the same in terms of a military supervisor having civilian people actually operating the system.

Air Cdre Byrne—I would expect so. That is in line with the defence reform program, that we try and minimise the number of telephone operators and maximise the number of combat soldiers that we have in the ADF.

Senator MURPHY—In regard to the demolition of the redundant facilities, at point 64 you say that a number of facilities have been identified as potentially available for demolition. In your cost estimate you have a figure. You also say at point 64:

Most of these facilities contain asbestos and prior to any demolition will require an asbestos survey.

Given past experience with this, the cost estimate that you have in the confidential cost estimate, is that money for the survey or is that money for the demolition?

Brig. Kelly—Off the top of my head I cannot identify whether that would have been included in consultancies or within the actual work, but I would expect that it is covered within the break-up of demolition. Our ability to estimate in this area is fairly well refined because these are not the first buildings we have taken down in this area and, although we are doing an asbestos survey, we are pretty confident that there is a great deal of asbestos in the area.

Senator MURPHY—I would like to know exactly what that money is for. With regard to the demolition, you list a number of buildings in point A and point B. In point A you list a number of buildings as ARDU building numbers, and I assume what it says there is that the buildings are identified by number for demolition, or are potentially available for demolition. Some of those I can find and some I cannot. Likewise, with regard to the Joint Logistics Unit list at the second dot point—it may be that I am just not looking in the right place—I can effectively find buildings 505, 511, 515, 517, 542 and 574 but I cannot find 513, 512 and 510. They may be there but I just cannot find them, Garry.

Brig. Kelly—Senator Murphy, I can assure you that when I first proofed this draft I actually did find all these buildings. I suspect it would be very difficult for us to prove it to you right at this moment. Can we get back to you after morning tea perhaps and demonstrate to you where those buildings are?

Senator MURPHY—Thank you, Brigadier. I think you may have said this yesterday, but the current store buildings that are being used—No. 6 store and No. 5—we cannot find them there either. Is it intended that those to be demolished?

Brig. Kelly—The No. 6 store is actually in the process of sale to the South Australian government. I used the term yesterday that it has been sold. In fact, we have a deposit. The contracts have not been signed, I understand, and there is an agreement that we will lease that back while we require it, so it is not a question for us, it is a question for the South Australian government.

Senator MURPHY—What is intended with regard to the shelving? I thought at least one of the spare parts facilities was reasonably modern. Is it intended to bring those up to the new store?

Mr Mackie—Madam Chair, could I answer that question. Senator Murphy, at store 6 the existing carousels will be reused and, in fact, there is an intention to purchase another four. At the moment the cost plan assumes that the racking and other material storage equipment will not be reused. However, that is a process of estimation.

Senator MURPHY—Is it for the South Australian government in the purchase of the building?

Mr Mackie—No, it will not be left there. It is just in terms of re-equipping the new store proposed on the base. We have at this stage assumed that new handling equipment materials will be provided but I would like to reinforce Brigadier Kelly's reference to the process of value management: we will certainly be looking at that in design development to see whether indeed some of those materials can be reused. But the basis of this estimate assumes replacement at this point in time.

Senator MURPHY—I would like to know a bit more about the demolition in terms of your overall case because, let us say, I think from past experience that that is a bit on the light side.

Brig. Kelly—We will give you that information after the break, Senator.

Senator MURPHY—Thank you.

Senator CALVERT—Chairman, just while we are on that, are there any problems foreseen, such as the sorts of things we run into at Deer Park where you have to rehabilitate soil and all that sort of stuff? Has that been taken into account?

VICE-CHAIR—And do you know what type of contamination is there before you actually start clearing away?

Brig. Kelly—I cannot give you specifics but I am aware that there has been some remediation undertaken on site to this point and there has been some work similar to Deer Park undertaken. As part of our studies we would identify if there are additional contaminants in the area and undertake the same sort of remediation if required.

Senator MURPHY—I have just one other question, which I did ask yesterday, during the private briefing. With regard to the project delivery costs, I would appreciate if you could provide the committee at some point in time with some information as to the explanation that you gave about the ultimate cost of project delivery.

Brig. Kelly—We actually have a project in place at this stage. We have tasked one of our staff members with going back through the previous 17 or 18 managing contractor contracts that we have let and trying to get some better benchmark figures in terms of percentage that we pay for the project delivery function. I have tasked that in two ways: firstly, the way we presented it yesterday, which is a fairly simple way of presenting it and, secondly, as percentages of the actual design and construct cost, which is perhaps a more appropriate way of presenting it.

Senator MURPHY—That would be very helpful.

Brig. Kelly—I just come back to Senator Calvert's question.

Senator CALVERT—I was thinking of Albion.

Brig. Kelly—Yes, Albion. There has been some work undertaken similar to Albion. I do not believe that the contamination on this base is anywhere near that which occurred at Albion, it is more like Maribyrnong, for example, where there are limited area of contamination. The consultancies to identify the contamination, if it occurs, in the DSTO area, will be undertaken as part of the disposal process as opposed to this redevelopment process, and that is in hand.

Senator CALVERT—If your investigations were to find unexpected levels of contamination, you would have to come back to the committee to increase funding, would you?

Brig. Kelly—As I said, it is not part of this redevelopment project. If it was part of this redevelopment, yes, we would. If it is part of the disposal process we would not if it was under the threshold. However, if it was like Albion where the remediation in itself was a significant major work, then we would certainly have to bring it back to the committee.

Senator FERGUSON—What is the total area of land that you are proposing to sell off?

Brig. Kelly—Can I get back to you on that, Senator? It will not take too long.

Senator MURPHY—Are you going to get any extra work now that the New Zealanders are going to get rid of their P3s?

VICE-CHAIR—I know Mr Lindsay has further questions and we will be breaking soon. From what Senator Ferguson just said, the area of that land that is going to be there for the sell-off. To what extent does the sale price of that land go against the redevelopment of this project?

Brig. Kelly—It does not at all.

VICE-CHAIR—So one goes to consolidated revenue and the other one comes out of it.

Brig. Kelly—That is not necessarily correct either, Madam Chair. Defence has an arrangement whereby it keeps the proceeds of sales up to one per cent of defence outlays. Above that it goes to consolidated revenue. However, the proceeds that are retained by Defence do not necessarily come back into the estate function, so there is no clear link. Nevertheless, it is part of the justification, the value-for-money assessment of options that we undertake.

Senator MURPHY—You just have to be sure that you keep the target below one per cent.

Brig. Kelly—We would never do that. In fact, despite best efforts we have never been able to achieve one per cent. Defence is undergoing a very significant rationalisation as a result of the downsizing in defence, and in particular the specific recommendations of the Defence Efficiency Review of a couple of years ago. That particular review identified a number of specific facilities that were to be disposed of, and the strategic plan for the Defence Estate, which drives our business, and also identified significant cutbacks. We are trying to reduce the size of the Defence Estate by a very significant percentage because much of it is underutilised and not required, and this committee has seen a fair bit of that in the last couple of hearings. We are doing our best but it is, in fact, quite difficult to sell off at a rate which would get us to one per cent of defence outlays, and we do not intend to get into a fire sale approach; we try to get best value for money for the Commonwealth and for defence.

VICE-CHAIR—Can I also ask, Brigadier, or whoever can answer it: the redevelopment program proposes upgrading some of your trunk engineering services or technical area services. Do you propose to tender out the work of these services separately from the main building project?

Brig. Kelly—That would be up to the managing contractor. All works let in this form of contract are subcontracted by the managing contractor. It is a very transparent approach from

our point of view. With other forms of contract we accept a lump sum and it is undertaken without clear visibility to us. In this instance the managing contractor is required to subcontract using a process that we agree and is then required to propose to us a short list, which they come up with through a registration process with which we or our representative, the project consultant, agrees, and the final tender recommendation is then also submitted to our project consultant for agreement, so it is a very visible process to us. The managing contractor would go out and, as subcontractors, find the best people to do the job. That would normally be in response to a design but it could be done as a single contract for design and construct under special circumstances. There are a number of ways of doing business.

VICE-CHAIR—Also in your submission to us, as well as the briefing we had yesterday, there was a point made—and you say it again on page 20 of your submission—that you are actually, in fact, recabling with copper and optical fibre cables. I remember raising it I think with the secretary when I heard that again. Why are you recabling with copper? The information that we have had says that basically it is a technology now only used in remote areas in Australia, and it very much narrowband, while optical fibre is broadband. You do say you are going to use optical fibre as well. Why are you going to reuse copper?

Mr Mackie—Madam Chair, optical fibre is used for all the main trunk cabling up to the distribution point within buildings to all the individual phones but there is a technical complication, as I understand it, to distribute from local distribution frames using optic fibre to individual phones and PCs, so optic fibre will come into all the buildings but it is quite common, as I am advised, that from that point on copper is used within the building.

VICE-CHAIR—Did that advice come because you have consulted with Optus or Telecom? Who provides that type of advice?

Mr Mackie—We had an engineering consultant with expertise in communications advising us on that. However, if I could just add: given that this is a managing contract, all of those issues are able to be re-examined, and indeed will be, in any case, during design development when the managing contractor has appointed his designers. So those issues are certainly able to be re-examined to ensure that we have the best solution.

VICE-CHAIR—Of the buildings that are going to be retained, has any testing been done on climatic changes, how they have been affected over a period of time when you have refurbished them?

Mr Mackie—I do not believe so.

VICE-CHAIR—Some looked very uncomfortable, I thought yesterday. Nobody has been back to say after they have been refurbished that it is much better to work in by appearances, but actually any climatic change affecting them over a period of time.

Brig. Kelly—I am sorry, Madam Chair, I am not sure I understand the question.

VICE-CHAIR—I will come back to it in a moment, because Mr Lindsay is eager.

Mr LINDSAY—Group Captain Spears, in relation to the proposed layout of the ARDU building in the entry, there is apparently no security, meaning anybody can walk into that building. Is that what you would prefer to see?

Group Capt. Spears—The conceptual model at the moment is exactly looking at the amount of space we need, not necessarily the detailed layout. My staff have been involved in how they need to do business for the future and have given their generic requirements, and those generic requirements have now been placed in the conceptual model which has been presented today. On your question of is that a satisfactory entranceway, as it appears to be presented, no, it is not. Presented on the current diagram is an entranceway with a security office there where people can actually be interviewed. My intention for that building would be that you would have an open entranceway into the building and that would be a secured entrance; there would be no entry into the rest of the building without that.

Mr LINDSAY—Thank you. There is also a space provided for Joint Logistics Unit support. Why is that, when JLU is getting a new building?

Group Capt. Spears—ARDU manufactures and develops a lot of components in its own right for integration into specialist test benches and into specialist equipments which go into aircraft. You would have noticed yesterday the orange boxes and orange wires.

Mr LINDSAY—Yes.

Group Capt. Spears—All those small components need to be at the technician's fingertips and need to be delivered from the major Joint Logistics Unit (South) into the ARDU—

Mr LINDSAY—I understand. Whoever would like to take this question in relation to the new store, is it proposed that the new store be used by off-base units, not necessarily RAAF?

Brig. Kelly—JLU (South) does not just support RAAF; it supports all South Australian units and I presume it could support other units which are transiting the area, if that was appropriate.

Mr LINDSAY—Mr Mackie, you seem to be knowledgeable about this. Is it the ADF's intention that other units be supported from this new store facility?

Mr Mackie—Mr Lindsay, my understanding is that JLU (South) have a supply function to all ADF personnel from South Australia and that will be the central store to deal with Army, Navy and Air Force requirements.

Brig. Kelly—As an example, Army units are generally concentrated at Warradale. Those units would have small key stores for their own integral stores but if they are going on an exercise they will get those stores from JLU (South) from this logistics facility.

Mr LINDSAY—Will you confirm that the new small dry canteen proposed as part of this development will be run by Frontline?

Wing Cmdr Tooth—It will be run by Frontline.

Mr LINDSAY—In relation to electrical services, you have said in your evidence at point 60:

However, the electrical supply to RAAF Base Edinburgh will need to be assessed as part of the design process ...

Is there a risk in that to this project, because you are not able to say to us today what the cost of that new electrical supplier might be?

Mr Mackie—Mr Lindsay, I do not believe it is a risk. Yesterday I explained that the supply to the base was adequate and that, in fact, the redevelopment proposed does not increase overall demand in that precinct. But it is my understanding that ETSA, the power supplier here in South Australia, do have some problems at the moment and they are being addressed outside of the base as a more global state issue. Linked to this is, of course, the need for the central emergency power station to deal with outages. The incoming supply to the base has the capacity to deal adequately with this redevelopment.

Mr LINDSAY—Finally, under 'Design philosophy', which is point 69, you talk about the provision of 'austere, cost-effective and utilitarian facilities'. Did you really mean 'austere'?

Brig. Kelly—The committee should be aware that all of our facilities are not overly lavish. 'Austere' might be a harsh word; our intention, though, is that we do not overly embellish architectural style or fittings. We provide facilities that are utilitarian and functional.

Mr LINDSAY—That is your intention.

Brig. Kelly—Yes.

VICE-CHAIR—At this stage, as the program has indicated, we will take a break. We will bring SA Water in for evidence and we will recall you, if you do not mind.

Proceedings suspended from 10.05 a.m. to 10.16 a.m.

ROUTLEY, Mr Bryce Ian, Trade Wastes Officer, SA Water, Trade Wastes

VICE-CHAIR—I welcome Mr Bryce Routley.

Mr Routley—Thank you. I work for SA Water industrial wastes section and I have been an inspector for nearly 10 years.

VICE-CHAIR—The committee has received a submission from you dated 21 July 2000. Do you propose any amendments to that submission?

Mr Routley—No amendments.

VICE-CHAIR—It is proposed that the submission dated 21 July 2000 be received, taken as read and incorporated in the transcript of evidence. Do any members have objections? As there are no objections it is so ordered.

The document read as follows —

VICE-CHAIR—I would now like to invite you, Mr Routley, to make a short statement in support of your submission and then we will proceed to questions.

Mr Routley—Thank you. Currently I am in my second to last week with SA Water after more than 25 years and I will soon be taking up the post of senior watershed protection officer for the EPA for the Mount Lofty Ranges. The issue raised is both an EPA and an SA Water issue, so I basically have a foot in both camps, but I am currently representing SA Water.

I have been an inspector for trade waste issues at the Edinburgh aircraft site or airfield since 1992. I have documentation stating that the plane wash area has been of concern to SA Water, going back to when it was the Engineering and Water Supply Department. Contaminants washed off planes have been going directly into the creek which runs through the middle of the base and out to sea without any pre-treatment. This was raised on a number of occasions with various environmental officers.

In 1996 an official permit was registered stating that arrangements would have to be made to have an agreed procedure put in place to look after plane washing to the satisfaction of both SA Water and EPA. The problem was there was a very large apron where they washed the P3 Orions and using a foaming device to shoot foam over the whole plane. That was then washed off directly into the creek. The difficulty with this whole issue is that you have contaminants going into a creek. There are areas of measured things like cadmium, zinc and suspended solids coming off the planes and ending up in the creek.

To solve the problem you could say, 'Put it off to sewer,' but the large catchment area of stormwater would result in flooding of the sewer. It is also illegal to put stormwater into the sewer because it floods the sewer out. There were two options in the past: one was called the stormwater bypass where the first flush of the contaminated water went off to sewer in a controlled manner; then later, in cleaner areas where the planes were not being washed, the stormwater went off to the creek.

Under the EPA act—and I have been an authorised EPA officer for the last nine years—under environmental due diligence you have to maintain that system. I have yet to see a stormwater bypass system which works effectively and which would carry you through a court case under environmental due diligence. There were cases even on site where the stormwater bypass system at the dog kennels malfunctioned and all the dog waste went down the stormwater drains to the detriment of one plumber who tried to clear the drain and was covered from arm to foot. There was a revamping of the stormwater bypass even on site. There are other cited issues with bypass systems.

The other way to combat it is to keep the stormwater out permanently by putting a roof over the whole wash area. When you are talking about a P3 Orion you are talking about rather a large area and quite a large expense. When the proposal came across my desk a month and a half ago to put up a shelter only a matter of 100 metres or so away, I immediately thought that perhaps, rather than having one shelter for washing and one for parking planes under, it may be a better use of taxpayers' money to actually put them all under the one shelter and thereby save a considerable amount of money. I realise that a P3 Orion is somewhat taller than an ordinary FA18, which is what I have been informed since is going to be parked underneath it. But surely in one end of that shelter there could be a raised roof area which would not change the overall structure of the whole building terribly much, rather than building a separate structure. That is my main concern. Could this be looked at and, therefore, reduce the cost of the overall project? It could solve a real problem that has been looming for quite a while in trying to protect the creek, but protect the sewer from being flooded from stormwater as well and keeping you guys away from the clutches of environmental due diligence. I have nothing more to say on that point.

VICE-CHAIR—Following your statement to us now, Mr Routley, have you expressed your concern to Defence about the contaminated stormwater and wash water?

Mr Routley—On many occasions.

VICE-CHAIR—What action did you find had been taken by them?

Mr Routley—Very little. It has been one of those jobs which everyone puts on the backburner saying, 'It's too difficult. It's going to take too much capital to do.' I have faxes here to Wing Commander Tooth and several other officers in the RAAF and in Defence Estate and Paul Shields and a few other people who have been on the site. It has been a difficult one to try to solve. No-one has come up with any real answer.

VICE-CHAIR—With the present project before us, has there been a lot of consultation up to this date with SA Water?

Mr Routley—I am unaware of any, other than being sent the proposal regarding the upgrade. That is as far as I am aware of any consultation from trade wastes section. There may have been consultation with other parts of SA Water that I am unaware of—but not particularly with this issue, either. No-one has approached me and I have been the representative for eight years in that area.

VICE-CHAIR—So there has been consultation at looking at what you are proposing, of putting an extra wash—

Mr Routley—No.

VICE-CHAIR—Nothing like that?

Mr Routley—No, there have been a number of wash issues on the site. There are several areas where cars are washed directly into stormwater drains. This has been flagged as well. It has been ongoing. Because of the complexity of the site it has been a difficult issue to try and negotiate. There are large capital costs in putting up changes to the site.

VICE-CHAIR—Do you find it is only a capital cost? Do you believe it is that, or is it just an impossible thing to do?

Mr Routley—It is hard to say.

Senator FERGUSON—When you are talking about the creek, I presume you are referring to Dry Creek?

Mr Routley—No, Dry Creek runs south of the base. There is actually a creek that runs through the middle of the base past the control tower, heading towards the south, south-west, crossing under Port Wakefield Road on the south-western corner of the base.

Senator FERGUSON—I understood that a lot of the water from the whole of the air base actually goes into the Salisbury wetlands.

Mr Routley—No, you are quite a sizeable distance from—

Senator FERGUSON—I know it is a sizeable distance, but I understood that was where the water would finish up.

Mr Routley—I am unaware of the final phase at the other end.

Senator FERGUSON—So you are suggesting that all the run-off from Edinburgh Air Base finishes up not in Dry Creek or anywhere near there but into a different creek, under the Wakefield Road—

Mr Routley—And out to sea.

Senator FERGUSON—and out to sea?

Mr Routley—Yes, because it goes through the middle, between the ponds at Bolivar, between ponds 5 and 6 in the middle of the treatment works, out to sea.

Senator FERGUSON—So that all the run-off, whether it is from the tarmac—

Mr Routley—Tarmac or roads or—

Senator FERGUSON—or washing, or anything, you say it all goes into this particular creek.

Mr Routley—Yes.

Senator FERGUSON—Then under the Port Wakefield Road and straight out to sea.

Mr Routley—Yes.

Senator FERGUSON—No run-off goes into Salisbury wetlands?

Mr Routley—Not that I am aware of, unless Salisbury council have done some diversions that I am unaware of.

Senator FERGUSON—I think that is something we will put back to the department because I was under the impression that—

Senator MURPHY—Where is Little Para River?

Senator FERGUSON—It is west of that.

Mr Routley—Yes, north-west of that.

Senator FERGUSON—When you said you have not had any consultation yourself, that does not mean the department has not consulted with SA Water.

Mr Routley—No, that is right, not with SA Water trades waste.

Senator FERGUSON—Does SA Water have any other concerns, other than contaminated water?

Mr Routley-No major concerns, no.

Senator FERGUSON—If that problem could be fixed, then SA Water would be quite happy with the arrangements that are proposed?

Mr Routley—Yes. There are a number of other issues on the site away from the redevelopment area. As I mentioned, the washing of vehicles into the creek is an issue as well that has to be attended to. But that is on the road transport division, so it is away from this.

VICE-CHAIR—It has nothing to do with this redevelopment.

Mr Routley—No, that is right.

VICE-CHAIR—It is more of a housekeeping on site for negotiation.

Mr Routley—Yes, that is right.

Senator FERGUSON—Madam Chair, I know we are questioning the witness but I just want to ask the Department of Defence officials whether the creek which is mentioned by SA Water is on your map? I want to try and find it while somebody else is asking questions. Is the creek being referred to by SA Water, where the stormwater goes under Port Wakefield Road and then out to the sea, shown anywhere on your map?

Wing Cmdr Tooth—It is not on any of the maps in the evidence that we have provided, as far as I know.

VICE-CHAIR—While we are waiting for an answer, are there further questions for SA Water?

Senator CALVERT—Not of this witness, no.

Mr LINDSAY—Mr Routley, in view of the long period over which this issue has been going on between your people and the Department of Defence, does that mean SA Water have no legal basis on which to require Defence to do something about their trade waste?

Mr Routley—The issue is that it is, firstly, an EPA matter because it is running into the creek. Then to put a diversion from that system the alternative is to put it off to sewer and that is when we come into play. It is a combined approach in that really it has to go through the EPA first and then be raised with SA Water. Because I am an authorised EPA officer I can flag these issues, but I have no powers under the EPA act to take long-term actions. I have raised it with the EPA. Of course, with their difficulties in funding and getting officers on the ground, it is something that has been laying dormant for a while. No-one has come up with any answers.

Mr LINDSAY—So is it your evidence that if Defence continued with the status quo there would be no proceedings against Defence?

Mr Routley—I could not guarantee that at all, because the EPA are actually getting a little bit tougher on handing out fines and taking people to court. It could come about that they could be fined and charged with environmental harm.

VICE-CHAIR—What you are really saying is that it is better for Defence to be forewarned.

Mr Routley-Yes.

Mr RIPOLL—In section 83 of the Defence submission it actually says an environmental certificate of compliance at AB81 will be prepared prior to construction and this will identify any issues that will need to be addressed. Do you know anything about that certificate? Maybe you can explain how that certificate or that compliance will meet with any requirements by SA Water.

Mr Routley—No, I am unaware of it.

Senator MURPHY—With regard to evidence from the City of Salisbury they said in part that they encouraged the RAAF Base Edinburgh to prepare a stormwater management plan for the site in consultation with the council. Did you have any consultation at all with the Salisbury council?

Mr Routley—I have on several occasions. At one stage, when I found a RAAF staff member spraying herbicides in the base creek, I was a little bit upset that such a practice was occurring, due to the imminent herbicide contamination of the creek. On consultation with Salisbury council I found that they had negotiated with them to reduce weed and reed growth in the creek to stop birdstrike. It is one of those issues that was raised. Originally in 1993, when I did an analysis on the creek, I passed that information over to the council as well but very little action has happened since then.

Mr RIPOLL—Mr Routley, in your submission you have obviously stated that the contaminated water is a major area of concern. How many years did you say this has been an issue for SA Water?

Mr Routley—I have flagged it for the eight years I have been going there. I am unaware of predecessors. The EPA act came in in 1996 and that has tightened environmental law as well. That has heightened the need to do something.

Mr RIPOLL—What has SA Water done to address the issue?

Mr Routley—We have negotiated with environmental officers and flagged on a number of occasions that there is something that needs to be done. We have left it in the hands of environmental officers at the RAAF base.

Mr RIPOLL—What powers do either your council or the EPA have to take action in terms of actually getting something done? It sounds like, although you have raised it, nothing has changed. What powers do you have to make people comply?

Mr Routley—There are powers in place but both SA Water and the EPA take the move of the government to negotiate things, rather than fining people first-up. We have been through that process and this is an area we saw as a chance to forewarn of potential changes that do need to happen.

Senator MURPHY—With regard to the creek you are referring to, is that a natural creek or is that something that has been a large stormwater drain?

Mr Routley—It was a natural creek before the base was there. It was straightened to align with the runway, so it goes between the runway and the main building areas of the site.

Senator MURPHY—Yes, I know where it goes. I just wondered whether it was ever a natural creek or it has been a man-made stormwater easement.

Mr Routley—It collects run-off from the Elizabeth North-Elizabeth West area as well.

VICE-CHAIR—Any further questions? Thank you very much, Mr Routley, for taking the time and providing the evidence. We will now come back to Defence.

[10.34 a.m.]

BYRNE, Air Commodore Philip Darcy, Commander, Maritime Patrol Group, Department of Defence

KELLY, Brigadier Garry Ross, Director General Project Delivery, Department of Defence

SPEARS, Group Captain William Harper, Commander Aircraft Research and Development Unit, Department of Defence

TOOTH, Wing Commander John Marsden, Project Director, Department of Defence

MACKIE, Mr Campbell James, Managing Director, Savant Pty Ltd

Senator FERGUSON—Could I just follow up on this issue of the water because it is important. Do you remember in the briefing we had yesterday that I asked some questions about run-off and water? I think you indicated that much of the run-off water from the base would finish up in the Salisbury wetlands. I then questioned it and said, 'But that's a hell of a long way away,' which it is. Looking at the map, it has to go past the Little Para River to get down to Green Fields near Dry Creek. What is the actual situation? I really think where the water actually runs should be explained in much more detail than that to us. Can you give us an answer, firstly, about the wetlands: does the water get there? And if it does, how the hell does it get there?

Brig. Kelly—I am not sure who made the comments yesterday, Senator. I do not believe there is anyone at the table who can answer that at the moment.

VICE-CHAIR—Can you take it on notice and bring it back?

Brig. Kelly—Yes, I can. I have just checked with my colleagues. I think there is no understanding at this table that there actually is a creek across the base. We would have thought perhaps it is a drain.

Senator MURPHY—It may be a stormwater drain. It is almost as wide as this room.

Brig. Kelly—It may have originally been a creek. It is the obvious point for a drain but it is not something that the base refers to as a creek, from what I understand.

Group Capt. Spears—In 1975, which was my first time there, it was exactly how it is now—stormwater. I can only go back that far.

Senator FERGUSON—I am sure I am not imagining things. I do not know if my colleagues remember but I did ask yesterday about where the water finished.

Senator MURPHY—You did.

Senator FERGUSON—I was told that it finished up in the Salisbury wetlands.

Senator CALVERT—It was actually clean going through the wetlands before it went to sea.

Mr Mackie—Senator Ferguson, you are quite correct in what you say. I think it was me who said that was where the water ended up. That was my understanding but I may need to check that. I am starting to wonder whether, in fact, I have the wrong information.

Senator FERGUSON—We need to know where the water actually goes. If it goes through the creek, under the highway and out to the sea, and contaminated water is going out to the inlet, we need to know. It might make a difference to the sorts of recommendations we make in relation to the proposed washing of aircraft.

Brig. Kelly—I accept that fully, Senator. The reason we had not picked this up until SA Water's submission was that it was not relevant to the components of this redevelopment. However, I accept some of the points that have been made by SA Water on how we could incorporate some aspects of the remediation or the solution to the problem into this works.

Senator FERGUSON—The other question is about consultation. Obviously with Mr Routley there has not been consultation but I take it you have had consultation with SA Water.

Brig. Kelly—I can only talk specifically for this project team. I would be absolutely confident that there has been routine and regular consultation with our local people. I am not sure whether our consultancy team has—it would appear not.

VICE-CHAIR—Could you provide the committee with evidence of that consultation?

Brig. Kelly—I doubt if this project team has had it, but we can provide evidence of previous consultation.

Senator FERGUSON—Of what sort of consultation you have had in the past.

Brig. Kelly—Yes, we can do that. I would be absolutely confident that there is routine liaison between the regional Defence Estate Organisation and all of the local authorities.

Senator FERGUSON—While it is not exactly part of this project that you are doing, the issue of water run-off from the whole of that area is an important one. You do not have any trouble convincing us that some of the buildings need replacement but if you are going to do that you have to make sure that the handling of water and, in particular, contaminated water is dealt with at the same time.

Brig. Kelly—I agree. Our approval of the Environmental Certificate of Compliance is based on the managing contractor developing an environmental management plan for the construction on the basis that new construction would be absolutely compliant. New construction is not an issue; it would meet requirements both local and national. These issues relate to the operational running of the base or the day-to-day running of the base over a number of years, so we had not picked that up. I am now aware of it and I can take some steps to address it.

VICE-CHAIR—Mr Ripoll, you wanted to carry forward a question.

Mr RIPOLL—Is there an environmental officer on the base? Is there somebody responsible?

Air Cdre Byrne—There is.

Mr RIPOLL—Are there any reports from that officer in terms of the washing of planes, where the water goes, contamination and so forth?

Air Cdre Byrne—I am unaware of any but I shall get back to you in that regard.

Brig. Kelly—There would no doubt be some reports that have been done in the past but I advise the committee that a consultant has been commissioned recently to undertake a trade waste and stormwater study. They are expected to be on site within three weeks.

Mr RIPOLL—In section 83 of the submission you talk about the Environmental Certificate of Compliance, the AB81, prepared prior to the construction. You talk about identifying any issues that will need to be addressed. Can you expand on what those issues are that will need to be addressed?

Brig. Kelly—The Environmental Certificate of Compliance has been approved. The only limitation on that was that the managing contractor was required to produce a construction environmental management plan. Appended to that certificate of compliance is a list of issues that has been prepared by our consultant which addresses the sort of points that have been raised.

Mr RIPOLL—Who issues the certificate of compliance?

Brig. Kelly—I am the normal delegate. It was signed by Mr Ferraris, who was involved in this project when he was acting for me a couple of months ago.

Mr RIPOLL—Do you agree with SA Water that there are issues about water run-off and where that water ends up?

Brig. Kelly—Yes, I do. Perhaps it would be useful if I gave a short explanation of my understanding of the issues.

Mr RIPOLL—Yes, that would be great.

Brig. Kelly—There are three aircraft washes on base. There are a number of other washes which I understand are compliant. For example, there is a GSE wash adjacent to the ARDU hangar, which is roofed as required. The aircraft washes, however, are not in accordance with the way we would do business now. The main aircraft wash is for washing Orions and that is primarily to remove salt after overwater flights. That involves application of water which has

been passed through a reverse osmosis plant. The waste then goes through a triple interceptor trap and then flows directly to the stormwater. The reverse osmosis plant removes salts from the water.

I know this is not a definitive study but last week we had some tests taken, once we became aware of this issue, which indicated that salts in the water were higher when it was running than after the aircraft wash. This is because of the treatment that the water used in the aircraft wash undergoes. It had a lower content of salt by a factor of some tens compared with Adelaide's water supply. That is not a definitive test at all; it was just to get an idea of what the issue might be. The aircraft had not been flying over water; nevertheless, it indicated that the rainwater run-off had a greater concentration of salts in the water than we were using to wash the aircraft.

We will get some better tests done and provide better information on that. It is an indication, though, that the water that is used is actually very low in salts at the point of application. I have viewed the volume of water that comes off the run-off pad when it is used to wash an aircraft. It is a great volume of water and I would assume that the concentration of salts and contaminants from the aircraft would be extremely diluted. However, it does run into a waste water drain. Our proposed solution might be that we use a collection tank and simply use the water then to irrigate the surrounding grassland.

That wash point, to my understanding, does not use detergents. It is purely a clean water wash. The other two wash points are located on the apron. They do use detergents and the run-off discharges to stormwater. It should go through oil separators to sewer but then the issue is that we have to take measures so that sewer is not given a surcharge from stormwater run-off. Those issues have been raised by SA Water. I will not propose any solutions to that. A first flush system is one option. The other option is to roof the washing area. As I indicated earlier, it would not be economic to do that for an Orion aircraft; it would be too large. So a first flush system is probably appropriate there.

We could use one of the bays in the proposed aircraft shelter as protection for a new aircraft wash at the ARDU end. The suggestion given by SA Water is an appropriate solution which we will look at. Our concern was that that would mean that we would have to build an extra bay or move aircraft around. If we have a close look at it we might find that the routine situation is that not all the bays are full at any time anyway, but we can have a closer look at that. I would also like to look at exactly why we need two washes on the apron, one for ARDU and one for the Orion squadrons. It could be a matter of the regulatory of usage or there could be scope there to rationalise.

The consultancy that I mentioned which has been commissioned is about to start. We anticipate some of the solutions and the local Defence Estate Organisation has allocated some funds for likely outcomes. But even though I am not intimately involved in the local running of the base, I would undertake to pursue that through their headquarters in Canberra to get assistance if necessary.

VICE-CHAIR—Thank you, Brigadier. There are still a number of questions, I understand.

Mr RIPOLL—I was just going to follow up quickly. South Australian Water also made a claim that there were heavy metals or possibly other contaminants in the wash water. Are you aware of any of those issues?

VICE-CHAIR—Could you include that in your—

Brig. Kelly—We can, but at least in the first wash I talked about an aircraft coming back from a flight and going through what we colloquially call a birdbath, so I cannot see where there would be heavy metal contaminants there.

Mr RIPOLL—I would be certainly interested to find out though. If South Australian Water are claiming that there I would like to see what evidence they have. But if you claim that there is some testing of the water to actually ascertain what is in it—

Brig. Kelly—I cannot claim that there are not, nor do I know if we have done studies.

Mr RIPOLL—Finally from me, if I could just ask you to inform the committee if you know exactly what your obligations are under the Environmental Protection and Biodiversity Conservation Act of 1999.

Brig. Kelly—I cannot quote exactly but I understand that we are liable, and individuals, particularly commanding officers, can be held liable.

Senator MURPHY—In addition to that can you let us know whether or not you are meeting those obligations at Edinburgh?

Brig. Kelly—I can advise you of that. I suspect that we are not, from what I have heard. However, I do not know exactly what the requirements are.

Senator MURPHY—No, you can just take it on notice.

VICE-CHAIR—There are other questions but I understand, Mr Routley, you wish to comment.

Mr Routley—Yes, two points. Mark Doherty is the new environmental health officer, and I have met several times with him just recently—he is only fairly new to the site—and he has been briefed on the issues. He has had a fairly circularly steep learning curve of recent times to take up the whole site. The other issue is the levels of contaminants going into stormwater drains. I almost ended up in the environment court against the EPA last year for assisting the airconditioning industry which sought my advice on disposal of condensate from evaporative airconditioners—not the type which use mains water to cool them; evaporative, the reverse cycle type which in humid weather drips distilled water out of the outlets. You may have witnessed that in many places where you have had drips on the head when walking down a footpath. That is basically distilled water.

I said, 'That should be fine to go off to stormwater.' The EPA took offence to that and said, 'No, it is not rainwater; therefore, it cannot go to stormwater.' Then I argued the point. I said,

'Well, what happened with condensate moisture off roofs, which is condensate out of air onto a metal surface?' They said no, that was still classed as rainwater but that coming out of an airconditioner was not; therefore, it was disallowed. I even had a case where an EPA officer badgered me to actually get a site which had clear mains water running through it—a single pass cooling system and outdoor stormwater drain—and they wanted that stopped immediately. The level of compliance with the EPA is getting more and more difficult, so to base it on whether it is the salinity of stormwater is probably almost not an issue. It has to be seen as saying, 'Is it uncontaminated rainwater?' Ask the EPA what that definition is, because I will not hazard a guess at trying to define that. It says the only thing you are allowed to discharge into your stormwater drain is uncontaminated stormwater.

Senator CALVERT—One question that I think did come up briefly yesterday. The request from Mr Ron Brons to photograph and catalogue all the old munitions buildings before they were demolished, is that something that the defence department are intending to do or not?

Brig. Kelly—That is what we would do as a matter of course if we do proceed with demolition. We do record for heritage purposes dimensions, photographs, historical data of buildings which have previously been identified as significant on the RNE if we do intend to proceed to demolition. The issue here was whether the results of that survey would be provided to the Melbourne office, I think, and we wrote to the AHC indicating that we would take it up.

Senator CALVERT—So our secretary can inform Mr Brons that the matter is in hand.

Brig. Kelly—It is in hand.

Mr LINDSAY—Just back to stormwater for a second. The drain that we saw yesterday and the inspection which was the 'beware of brown snakes drain', if you look at that model here, there is no evidence of a drain. In fact, there are roadways in what I think would be the location of the existing drain. What are you proposing to do about that existing drain?

Brig. Kelly—There is no impact on the drain. Some of the options looked at for location of the warehouse did impact on the drain but we have adopted a location which does not impact on the drain.

Mr LINDSAY—There is a looped road there. Does that go over the drain or around?

Mr Mackie—Mr Lindsay, that is right. The brigadier's response is largely correct, apart from that service road that comes into the back of the warehouse. Obviously that will have to be bridged over.

Mr LINDSAY—In your statement of evidence you said that you were going to spend money on remedial works on the treatment of the drain. Does that involve effectively constructing a low-flow channel type operation, concrete lined? What are you proposing?

Mr Mackie—No, I think it involves cleaning the channels. In fact, the SA Water gentleman has commented that some of them are choked with weeds and grass and so forth, so they need to be cleaned. But the principal construction will be a retention pond to mitigate the peak flows

at times of heavy rainfall which really just eases out that peak so that the current infrastructure properly cleaned will be able to cope.

Mr LINDSAY—So the cleaning of the drains is really just a maintenance issue?

Mr Mackie—Yes, it is.

Mr LINDSAY—It is not part of this proposal?

Mr Mackie—Correct.

Senator MURPHY—Brigadier, I wonder if you could comment on the Environment Australia submission about the sedge skipper. You can take it on notice, if you like.

Brig. Kelly—No, we have responded to that, Senator. In fact, if I could briefly quote from our response. There is no evidence that that particular butterfly exists at RAAF Base Edinburgh. We did, however, note that its occurrence was restricted to stands of a rare plant and these stands occur in low-lying fully drained areas on the coast. There is a separate defence site close to one of the few remaining stands of that plant in the Adelaide coastal region. However, it appeared that the butterfly had become locally extinct in that area. Defence has initiated a habitat restoration program in conjunction with the Salisbury City Council to plant a stand of garnia, which is the plant, to encourage a return to the area of the yellow sedge skipper butterfly. I believe that meets our obligations.

Mr LINDSAY—Fantastic.

Senator CALVERT—There was some evidence of large brown legless lizards there.

Brig. Kelly—I think they are everywhere, Senator.

Senator FERGUSON—Madam Chair, we are probably near the end of questioning. I notice one weed that is not in danger of extinction on the base is onion weed. Can I say that it is probably a sign of the times that we have spent a large portion of our time talking about extraneous matters other than the millions of dollars that are being spent on the proposal for the buildings. So having seen the working conditions of some of your ranks out there yesterday, I think it is important that we get responses to these other matters as quickly as possible. I would hate to see any proposal delayed because of other matters other than was brought before us by way of proposals. I think if we could get answers as quickly as possible, it would facilitate this committee making a fairly quick decision.

Brig. Kelly—I do have answers to some of the issues that I took on notice before the break that I can respond to at your convenience, Madam Chair.

VICE-CHAIR—Yes.

Brig. Kelly—There was one question about remediation in a similar vein to Deer Park or Albion. The master plan for the proposed disposal of the DSTO precinct does have some details

which indicate where a waste repository has already been built on site. It talks about an area of contaminated groundwater blooms, sulfate dumps and acid in fire training area. Those areas are clearly delineated on a diagram in that plan. This plan has been agreed between Defence, the South Australian government and the Salisbury council. The plan is currently sitting with the Minister for Defence and is intended to go on public display through the Salisbury City Council in a matter of weeks, I understand. So it is to all intents and purposes a public document and I would be happy to table that for the committee's interest if they so desire.

Senator MURPHY—Do you have costings for it?

Brig. Kelly—For the contamination remediation?

Senator MURPHY—Yes.

Brig. Kelly—No, I do not, and that would be undertaken as part of the disposal process. Consultancies have also been let for heritage and remediation studies to support that disposal process. The question was asked how much land is available for disposal? The answer to that is 700 hectares in two areas. A question was asked on the budget for demolition, and I said that we had plenty of experience which would guide us. I have checked with that experience and Senator Murphy has a point; we believe that that budget is shy.

Senator MURPHY—By about how much?

Brig. Kelly—I would rather look at that and advise by how much we think it is shy, Senator, but you are quite correct. We have good experience in the area of demolishing these facilities. You asked whether the consultancy to support that demolition was part of the consultancy costs or part of that package. I suggest it would be part of that package. It is likely that that consultancy would only be about \$30,000 so it is irrelevant where it sits in the big picture, I suppose. The intent of that survey—given that we already have an asbestos survey which has been done and we have a register—is simply to update that register and find better requirements before we proceed to demolition.

VICE-CHAIR—Thank you for the extra evidence given. Do you wish to table that now or would you like to come back later with costing?

Brig. Kelly—I do not know that costings will be available because we simply have not done the studies. The disposal program which has commenced with that southern region will probably not get really under way for two to five years in the southern area, and I understand in the northern area it will be five years plus. So it is a progressive release of land and I presume that the South Australian government would prefer it that way as well.

VICE-CHAIR—Other than what you wanted to table here, is that document associated with this inquiry?

Brig. Kelly—Yes. It supports this inquiry because it is on the basis of this disposal that we intend to demolish the buildings.

VICE-CHAIR—Is there any objection to the document being tabled? There being no objection, it is so ordered. We will accept it and a copy will be issued to the committee. I appreciate that any other questions that have been unanswered you will take on notice and report back to the committee with the answers to it.

Brig. Kelly—We will respond as soon as possible.

VICE-CHAIR—I appreciate that. There are no further questions. It is proposed that all submissions received by the committee and the Department of Defence's responses to them be incorporated in the transcript of evidence. There being no objection, it is so ordered.

The documents read as follows—

VICE-CHAIR—Before closing I would particularly like to thank the witnesses who appeared before the committee today and those who assisted our inspection yesterday.

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

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

Committee adjourned at 11.00 a.m.