

Defence Science and Technology Organisation Human Protection Performance Division security and facilities upgrade, Fishermans Bend, Melbourne, Vic

- 6.1 The Department of Defence (Defence) proposes to upgrade security and facilities of the Defence Science and Technology Organisation (DSTO) Human Protection Performance Division (HPPD).
- 6.2 The purpose of the project is to enhance site security and rectify inadequacies in existing facilities at DSTO Fishermans Bend in order to improve the HPPD's ability to generate capability in support of Australian Defence Force (ADF) and Whole of Australian Government operations in the protection and defence of Australia and its national interests.
- 6.3 The cost of the project is \$41.1 million.
- 6.4 The project was referred to the Committee on 21 March 2013.

Conduct of the inquiry

- 6.5 Following referral to the Committee, the inquiry was advertised on the Committee's website, by media release and in *The Australian* and the *Australian Financial Review* newspapers.
- 6.6 The Committee received one submission and two supplementary submission from the Department of Defence. The list of submissions can be found at Appendix A.
- 6.7 The Committee received a private briefing and conducted a site inspection, a public hearing and an in-camera hearing on 30 April 2013 in Melbourne.

- 6.8 A transcript of the public hearing and the submissions to the inquiry are available on the Committee's website.¹

Need for the works

- 6.9 The DSTO is the lead Defence organisation charged with applying science and technology to protect and defend Australia and its national interests.
- 6.10 In addition to the specialist and impartial advice, and innovative solutions DSTO provides to the ADF, the expertise that resides in DSTO also delivers unique capabilities to support the Australian Government's broader national security requirements.
- 6.11 In particular, the DSTO National Security Program leverages critical and unique defence science and technology capabilities to benefit civilian organisations and agencies, and as identified in the 2009 Defence White Paper¹, this includes defending against chemical, biological and radiological (CBR) threats.
- 6.12 The DSTO HPPD is located at a site in Melbourne, Victoria, which is also known as DSTO Fishermans Bend. The HPPD mission is the application of innovative science to improve the protection and performance of personnel in CBR and other physically challenging environments, and for Australian national security.
- 6.13 HPPD's capabilities and work programs are subsequently focussed on scientific and technological research for the ADF that directly aids in the development of defences against CBR and other threats. The HPPD also provides support to other organisations and agencies, which can include direct and rapid response to potential and actual incidents involving these threats. As a consequence of the emergence of new national security priorities in the post 'September 11' and 'Bali Bombing' environment, there has been a growing demand for such support from the HPPD.
- 6.14 The existing facilities at DSTO Fishermans Bend, in addition to providing working accommodation for the HPPD, also house sensitive capability elements and equipment, facilities which are required to comply with specific Defence security policies. Although DSTO Fishermans Bend is currently fully fenced and incorporated with other site security systems, a 2006 Security Risk Assessment concluded that enhancements to site security were necessary in order to meet the required levels of security, including upgrades to intrusion and detection systems, access control and on-site crisis management. The current DSTO Fishermans Bend site layout and storage facilities also do not allow for the secure receipt and handling

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

of incoming inventories, with delivery services having to be granted extended site access.

- 6.15 Additionally, a number of the existing HPPD facilities at DSTO Fishermans Bend are inadequate with respect to the necessary levels of capacity and functionality that are required to meet current and evolving operational demands. This situation has resulted in levels of ineffectiveness and inefficiencies with specialist personnel and capabilities having to be housed in multiple disparate locations, including temporary working accommodation.²
- 6.16 The Committee is satisfied that there is a need for the works.

Scope of the works

- 6.17 The works will include the following eight scope elements:
- Integrated Detection and Security Lighting System.
 - Science and Technology Store.
 - Security and Crisis Management Centre.
 - Chemical Laboratory Facility.
 - Operational Support Facility.
 - Secure Communications Facility.
 - Protective Security Upgrade to Building 94.
 - Site Shared Services.³
- 6.18 The Committee finds that the proposed scope of works is suitable to meet the need.

Cost of the works

- 6.19 The project cost is \$41.1 million. The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with the proponent agency on these costs.
- 6.20 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent agency.

2 Defence, Submission 1, pp. 1-2.

3 Defence, Submission 1, pp. 9-16.

Project issues

Demolition of the existing Building 94 Annex

6.21 The proposed works will involve the demolition of building 94 annex and the construction of a larger annex in the same location. Defence considered various possibilities for extending the annex, either vertically or horizontally, but these were deemed unfeasible.⁴

6.22 The existing annex was completed in 2008. Defence outlined that subsequent policy changes led to the building no longer being adequate for HPPD operations:

The existing facilities for HPPD were designed and established before we became a division. The creation of the Human Protection Performance Division in 2005 recognised the need to have a specialised area that would meet Defence's and Australia's need, particularly in the area of defence against chemical, biological and radiological weapons. Since that time, and I think reflected in the 2009 white paper, there has been a recognition that there was a blurring of the line between state and non-state actors. So while we may have designed a capability that was focused on state actors and a defence force that was focused on state issues, the changing strategic environment for non-state actors – and we live in that at this moment – means that there was a broader range of threats than originally contemplated.⁵

6.23 The new annex will meet the expanded capability requirements of HPPD:

We are now quite confident that the facilities proposed under HPPD will meet our future needs. The major challenges we had were capacity, the capability to receive samples of unknown origin, the capacity to house all our equipment and receipt them, and the appropriate number of laboratories suitable for the chemical and biological material that we work with.⁶

6.24 The facility will also provide enhanced security for HPPD:

One of the key aspects is that through this one building we will assure the surety of the capability because the facility will be in a certified and secure environment in Australia.⁷

4 Defence, Submission 1, pp. 12-13.

5 Dr S. Oldfield, Defence, *transcript of evidence*, 30 April 2013, p. 2.

6 Dr S. Oldfield, Defence, *transcript of evidence*, 30 April 2013, p. 3.

7 Mr R. Tanzer, Defence, *transcript of evidence*, 30 April 2013, p. 3.

- 6.25 The new annex would accommodate HPPD staff currently located in various buildings on the Fishermans Bend site.⁸
- 6.26 Some staff have been housed in temporary accommodation as the growth of the division outpaced the available accommodation.⁹ The distance of this temporary accommodation from laboratories in building 94 is an issue:
- The only available site was in the order of 500 metres from building 94. Those staff members' laboratory work predominately takes place in building 94, so when they run an experiment they are required to move from their portable accommodation to the laboratory, conduct the experiment and then come back. We have realised that staff, because of the need to monitor experiments and bring the data and other divisional requirements, can travel up to six times a day. Melbourne weather is not always that good – not as nice as it is today – and that creates some physical difficulties. Also, the working environment in that temporary accommodation is not ideal.¹⁰
- 6.27 The construction of the new building 94 annex will mean that all staff will be located in a single location on the Fishermans Bend site.¹¹

Committee comment

- 6.28 The Committee acknowledges that the growth of the HPPD has put pressure on operations and facilities. The Committee understands the need for and operational benefits of co-locating staff and laboratories in building 94 and the annex.
- 6.29 The Committee accepts that the demolition of the existing annex has valid reasons and has been fully justified by Defence. The Committee notes that Defence considered all feasible options for delivering the project and agrees that this option provides the best value for money. However, the Committee remains concerned that such a recently constructed building is to be demolished because of strategic decisions within Defence.
- 6.30 The Committee also notes that Defence did not take into account the asset value of the existing building in its cost estimate for the project.

8 Mr R. Tanzer, Defence, *transcript of evidence*, 30 April 2013, p. 2.

9 Dr S. Oldfield, Defence, *transcript of evidence*, 30 April 2013, p. 3.

10 Dr S. Oldfield, Defence, *transcript of evidence*, 30 April 2013, p. 3.

11 Dr S. Oldfield, Defence, *transcript of evidence*, 30 April 2013, p. 3.

Final Committee comment

- 6.31 The Committee's inspection included the laboratories in building 94 and its annex. This enabled the Committee to observe the limitations of the existing laboratories, particularly as they are occupied by more staff than they were designed for.
- 6.32 The Committee thanks HPPD staff for their presentations during the site inspection.
- 6.33 The Committee was satisfied with the evidence provided by the Department of Defence regarding the proposed project. The Committee is satisfied that the project has merit in terms of need, scope and cost.
- 6.34 Proponent agencies must notify the Committee of any changes to the project scope, time and cost. The Committee requires that a post-implementation report be provided on completion of the project. A template for the report can be found on the Committee's website.
- 6.35 Having regard to its role and responsibilities contained in the *Public Works Committee Act 1969*, the Committee is of the view that this project signifies value for money for the Commonwealth and constitutes a project which is fit for purpose, having regard to the established need.

Recommendation 5

The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: Defence Science and Technology Organisation Human Protection Performance Division security and facilities upgrade, Fishermans Bend, Melbourne, Vic.