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**Redevelopment of RAAF Base Edinburgh, Adelaide,
South Australia**

Parliamentary Standing Committee on Public Works

May 2009
Canberra

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Membership of the Committee

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List of recommendations

2 RAAF Base Edinburgh Redevelopment Stage 2

Recommendation 1

The Committee recommends that the House of Representatives resolve, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: RAAF Base Edinburgh Redevelopment Stage 2, South Australia.

Introduction

- 1.1 Under the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works is required to inquire into and report on public works referred to it through either house of Parliament. Referrals are generally made by a delegate of the Minister for Finance.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives receives that report and resolves that it is expedient to carry out the work.¹
- 1.3 Under the Act, a public work is a work proposed to be undertaken by the Commonwealth, or on behalf of the Commonwealth concerning:
- the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures;
 - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures;
 - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures);
 - the demolition, destruction, dismantling or removal of buildings, plant and equipment, earthworks, and other structures;
 - the clearing of land and the development of land for use as urban land or otherwise; and

¹ The Act, Part III, Section 18 (8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the Regulations.

- any other matter declared by the regulations to be a work.²
- 1.4 The Act requires that the Committee consider and report on:
- the purpose of the work and its suitability for that purpose;
 - the need for, or the advisability of, carrying out the work;
 - whether the money to be expended on the work is being spent in the most cost effective manner;
 - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
 - the present and prospective public value of the work.³
- 1.5 The Committee pays attention to these and any other relevant factors when considering the proposed work.

Matters addressed in this report

- 1.6 Works considered in this report were referred to the Committee in February 2009 by the Parliamentary Secretary for Defence Support, the Hon Dr Mike Kelly MP.
- 1.7 In considering the works, the Committee analysed the evidence presented by the proponent agency, public submissions and evidence received at public and in-camera hearings.
- 1.8 In consideration of the need to report expeditiously as required by Section 17(1) of the Act, the Committee has only reported on major issues of concern. Other issues raised through the inquiry process where the Committee was able to satisfy itself that the issues will be addressed appropriately by the proponent agency are not reported.
- 1.9 The Committee appreciates, and fully considers, the input of the community to its inquiries. Those interested in the proposals considered in this report are encouraged to access the full inquiry proceedings available on the Committee's website.⁴
- 1.10 Chapter 2 addresses the proposed RAAF Base Edinburgh Redevelopment Stage 2, Adelaide, South Australia at an estimated cost of \$99.56 million (excluding GST).

2 The Act, Section 5.

3 The Act, Section 17.

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

- 1.11 Submissions are listed at Appendix A and Appendix B lists inspections, hearings and witnesses.

RAAF Base Edinburgh Redevelopment Stage 2

- 2.1 The RAAF Base Edinburgh Redevelopment Stage 2 proposes to provide a range of new refurbished facilities to meet the functional requirements of several Air Force units, enhance base security and upgrade engineering services at RAAF Base Edinburgh, Adelaide, South Australia.
- 2.2 The estimated cost of the project is \$99.56 million (excluding GST).
- 2.3 The proposed RAAF Base Edinburgh Redevelopment Stage 2 was referred to the Committee on 26 February 2009 by the Attorney General, the Hon Robert McClelland MP for the Parliamentary Secretary for Defence Support, the Hon Dr Mike Kelly MP.

Conduct of the inquiry

- 2.4 The inquiry was advertised in local and national newspapers and submissions sought from those with direct interest in the project. The Committee received two submissions, one supplementary submission and one confidential supplementary submission regarding the project costs. A list of submissions can be found at Appendix A.
- 2.5 The Committee undertook a site inspection on 21 April 2009 at RAAF Base Edinburgh followed by a public hearing and in-camera hearing in Adelaide. A list of inspections, hearings and witnesses can be found at Appendix B.

- 2.6 The transcript of the public hearing as well as submissions to the inquiry is available on the Committee's website.¹ Plans for the proposed works are detailed in Submission 1, Department of Defence (Defence).

Need for works

- 2.7 The proposed redevelopment will support Defence capability by addressing several facility deficiencies at RAAF Base Edinburgh (the Base) associated with Air Force Units, Base security and engineering services. Defence states that works are needed for:

- **No. 462 Squadron facility** - No 462 Squadron is currently located in temporary facilities at the Defence Reserve Depot at Allara Street Reid, Canberra. Government approval has been given for the relocation of No 462 Squadron to Edinburgh. No 462 Squadron requires a permanent facility for 100 personnel in the Electronic Warfare Precinct at Edinburgh.
- **No. 87 Squadron facility** - No 87 Squadron currently occupies an interim facility in the northern domestic area of the base. To perform its role, No 87 Squadron requires a permanent facility appropriate to its function.
- **No. 92 Wing air crew facilities** - The existing air crew facilities used by No 92 Wing have a number of deficiencies, some related to occupational health and safety, but principally related to inadequate working space for the existing crew.
- **No. 24 Squadron facilities** - The existing No 24 Squadron facilities do not meet the squadron's training and working accommodation needs. No 24 Squadron requires a range of multi-purpose class rooms, areas for specialist training, training support and administration to fulfil its training role.
- **Air traffic control tower** - The current air traffic control tower has a range of occupational health and safety deficiencies, including non-compliance with the Building Code of Australia (BCA) and Defence's Manual of Fire Protection Engineering (MFPE).

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

- **Ordnance loading apron** - the Base has only one facility that is revetted and dedicated as an ordnance loading apron (OLA). Two new purpose built OLAs are required to provide the required capability.
- **Passive defence upgrade** - Current passive defence features and measures do not meet contemporary standards for providing the necessary security or access control to various areas of the base.
- **Engineering services infrastructure** - Some of the engineering services including roads, hydraulic services, electrical services and communications are a legacy of the original development of the base post World War II. Improvements to capacity and the replacement of dilapidated services are required to provide reliable services.
- **Demolition of facilities** - A number of buildings have either reached the end of their economic life or are surplus to requirements. These buildings are not suitable for reuse to satisfy project requirements.²

2.8 At its site inspection, the Committee observed that some facilities at the Base are in need of repair and refurbishment and that other facilities are no longer fit for purpose. The Committee also observed that personnel are working in overcrowded, sub-standard conditions in some areas.

2.9 The Committee finds that there is a need for the proposed works.

Purpose and scope of the works

2.10 The proposed scope of the works is detailed in Submission 1, Department of Defence.³ The project includes nine separate elements to address the stated needs.

- **No. 462 Squadron facility** - provision of a new working accommodation facility for 100 personnel of No 462 Squadron which is being relocated from Canberra.
- **No. 87 Squadron facility** - provision of a new working accommodation facility for 150 personnel.
- **No. 92 Wing air crew facilities** - provision of new and upgraded facilities, including air crew rooms, a reconfigured briefing room and a common room.

2 See Submission 1, Department of Defence, p. 2, 3.

3 The submission is available on the Committee's website <www.aph.gov.au/pwc> or by contacting the Committee Secretariat.

- **No. 24 Squadron facilities** - provision of new and upgraded facilities, including office and training facilities.
- **Air traffic control tower** - provision of a new air traffic control tower, decommissioning of the existing tower and demolition of the tower structure.
- **Ordnance loading aprons** - provision of two new ordnance loading aprons each with access taxiways suitable to accommodate aircraft up to the Orion AP-3C or similar.
- **Passive defence upgrade** - provision of fixed and electronic security measures and improvements to base entry points.
- **Engineering services infrastructure** - upgrade to existing engineering services including water, sewerage, stormwater drainage, communication systems, existing roads infrastructure, and high voltage electrical services.
- **Demolition of facilities** - demolition of redundant facilities.

2.11 The Committee notes that any budget savings made will be directed towards the following deferred works:

- provision of new and additional computers to support the capabilities of No 92 Wing air crew; and
- additional works at the existing air traffic control tower to demolish the ground floor facilities and build new facilities next to the proposed new air traffic control tower.⁴

2.12 The Committee considers these deferred works are an important part of the project scope and should be undertaken if budget savings are met.

2.13 The Committee has assessed the purpose and scope of the works and finds them suitable to provide the facilities necessary to meet the stated needs of the RAAF Base Edinburgh Redevelopment Stage 2.

Cost of works

2.14 The total cost of this work is estimated to be \$99.56 million (excluding GST) which includes construction costs, professional fees, furniture,

4 Brig Grice, Defence, Proof Transcript of Evidence, 21 April 2009, p.9.

fittings and equipment, information technology, demolition costs and a contingency allowance.

- 2.15 The Committee received detailed cost plans for the project and held an in-camera hearing with the Department of Defence on the full project costs.
- 2.16 The Committee was satisfied that the costings for the project as provided to it are adequate and suitable contingency planning is in place to ensure that the overall project is not compromised by budget overruns in any one area.

Project Issues

Employment of local, youth and Indigenous workers

- 2.17 The Committee expressed interest in the numbers of local trades that might be employed at the Base and the economic impact the project would have for the local area. Defence noted that the Commonwealth procurement guidelines preclude contracting activity towards any geographical sector of the market. However, Defence also noted that more than 50 per cent of the work for the Hardened and Networked Army (HNA) project⁵ at the Base was contracted to North Adelaide companies. Of the approximately 1300 workers inducted to work on the site 'about 40 per cent of those, or close to 600, are from the North Adelaide region - all of them being from Adelaide itself.'⁶
- 2.18 Given that this redevelopment project will employ similar construction techniques and skills to the HNA project, the Committee expects that local companies and workers will continue to be competitive and welcomes this level of employment activity in the Adelaide region.
- 2.19 Concerns were also raised about the provision of employment and training opportunities targeted at youth and Indigenous workers. Again, the Committee was told that under the Commonwealth procurement guidelines recruitment cannot be restricted to any particular demographic. However, Defence noted that '20 apprentices, three graduates and a work

5 A proposal for the Hardened and Networked Army (HNA) facilities at Edinburgh Defence Precinct, SA was referred to the Public Works Committee for consideration on 13 March 2008 and a report was tabled on 24 June 2008. For more information see the inquiry website <<http://www.aph.gov.au/house/committee/pwc/edinburgh/index.htm>>.

6 Brig Grice, Defence, Proof Transcript of Evidence, 21 April 2009, p.3.

experience person⁷ are presently employed on site for the HNA project. In addition, approximately 17 per cent of the workers on site are aged 25 or younger.⁸

- 2.20 While the Committee acknowledges the restrictions of the Commonwealth procurement guidelines, it strongly encourages the provision of training opportunities on major Commonwealth construction projects.

Local traffic

- 2.21 Traffic congestion around the Base is a concern, particularly in the mornings and evenings. The Committee queried the potential effects of the project on local traffic. Defence acknowledged that traffic congestion is an issue around the Edinburgh Defence Precinct. Defence is 'currently involved in a road study, principally for the commercial roads of Salisbury between Purling Avenue and the Salisbury Highway, looking at and assessing the related options for trying to alleviate that issue.'⁹ The study is expected to conclude within six months.
- 2.22 Upgrades to the entrances as part of this project and the HNA project will divert future traffic away from the main gate and provide for the daily traffic flow onto and off the base.

Electricity meters

- 2.23 Under the Energy Efficiency in Government Operations (EEGO) Policy, Defence is required to progressively install sub-meters at relevant bases by 2011 as part of a coordinated programme to better monitor and manage energy. Defence informed the Committee that a program is in place at Edinburgh to progressively install electrical meters on existing facilities and buildings being refurbished. All new structures will fully comply with the EEGO policy.¹⁰

Sustainable water use initiatives

- 2.24 The Committee expressed concern about the impact of the Base on local potable water supplies. Defence informed the Committee that the base 'will continue to draw potable water from the local infrastructure' however, 'Defence's strategy is to reduce our requirement for potable
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7 Brig Grice, Defence, Proof Transcript of Evidence, 21 April 2009, p.3.

8 Brig Grice, Defence, Proof Transcript of Evidence, 21 April 2009, p.9.

9 Mr James Smith, Defence, Proof Transcript of Evidence, 21 April 2009, p.6.

10 Mr James Smith, Defence, Proof Transcript of Evidence, 21 April 2009, p.5.

water over time by eliminating all uses beyond those that strictly require potable water.’¹¹ Defence aims to reduce demand for potable water on the base by 30 – 35 per cent through a ‘stormwater retention system and the purchase of water from the Salisbury aquifer recharge system in the event of no water being in [the] system’¹².

- 2.25 New and redeveloped facilities will be connected to the non-potable water supply provided by rainwater and stormwater collection and storage. No greywater or blackwater recycling will be implemented.

Committee comment

Sustainable water use

- 2.26 While the Committee commends the environmentally sustainable initiatives taken by Defence at RAAF Base Edinburgh, it encourages Defence to place greater emphasis on greywater, water recycling and stormwater reuse initiatives in future projects to reduce the impact of large defence bases on town water supply.
- 2.27 The Committee regards this issue as an integral part of its consideration of public works. In particular, all Commonwealth agencies involved in the provision of public works should be aware of the Australian Government’s ‘Water for the future’ policy¹³ and the ‘Water efficiency guide: office and public buildings’¹⁴. The Committee will monitor progress towards this end in projects presented to it.
- 2.28 The ‘Water for the future’ policy has funded infrastructure and innovations aimed at:
- taking action on climate change;
 - using water wisely;
 - securing water supplies; and

11 Brig Grice, Defence, Proof Transcript of Evidence, 21 April 2009, p.6.

12 Brig Grice, Defence, Proof Transcript of Evidence, 21 April 2009, p.8.

13 Department of Environment, Water, Heritage and the Arts, ‘The Australian Government’s plan for water’ <<http://www.environment.gov.au/water/publications/action/pubs/water-future.pdf>>, accessed 4 May 2009.

14 Department of Environment, Water, Heritage and the Arts, ‘Water efficiency in Government operations’ <<http://www.environment.gov.au/settlements/government/water-efficiency.html>>, accessed 4 May 2009.

- supporting healthy rivers.¹⁵
- 2.29 Under this policy there are a range of measures to encourage action by households and businesses, such as support for projects using desalination, recycling and stormwater harvesting¹⁶ and rebates of up to \$500 for households to install tanks or greywater systems.¹⁷
- 2.30 The 'Water efficiency guide: office and public buildings' provides practical guidance on the technical and behavioural opportunities that exist in offices and public buildings for reducing water consumption and increasing water reuse.¹⁸ For example, stormwater runoff collection, water-wise landscaping and installation of water efficient amenities and sub-meters.¹⁹
- 2.31 The Committee expects Commonwealth agencies to set an example for state and local governments, corporations and households through implementing environmentally sustainable initiatives in new buildings and redevelopments. Agencies can lead by example by incorporating rainwater tanks, greywater systems and stormwater recycling systems into infrastructure proposals.

Conclusion

- 2.32 The Committee notes that the age and size of the buildings and facilities at RAAF Base Edinburgh, Adelaide, South Australia is contributing to unacceptable working conditions for staff and that the need for redevelopment is overdue.

15 Department of Environment, Water, Heritage and the Arts, 'The Australian Government's plan for water' <<http://www.environment.gov.au/water/publications/action/pubs/water-future.pdf>>, accessed 4 May 2009.

16 Department of Environment, Water, Heritage and the Arts, 'National urban water and desalination plan' <<http://www.environment.gov.au/water/programs/urban/index.html>>, accessed 4 May 2009.

17 Department of Environment, Water, Heritage and the Arts, 'National rainwater and greywater initiative' <<http://www.environment.gov.au/water/programs/nrgi/index.html>>, accessed 4 May 2009.

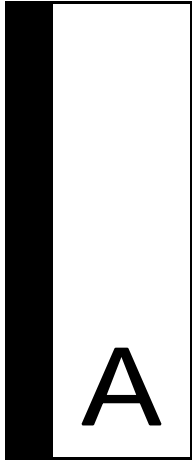
18 Department of Environment, Water, Heritage and the Arts, 'Water efficiency guide: office and public buildings' <<http://www.environment.gov.au/settlements/publications/government/pubs/water-efficiency-guide.pdf>>, accessed 4 May 2009.

19 Department of Environment, Water, Heritage and the Arts, 'Water efficiency guide: office and public buildings' <<http://www.environment.gov.au/settlements/publications/government/pubs/water-efficiency-guide.pdf>>, accessed 4 May 2009.

- 2.33 Overall, the Committee is satisfied this project has merit in terms of need, scope and cost.
- 2.34 Having examined the purpose, need, use, and public value of the work, the Committee considers it is expedient that the proposed works proceed.

Recommendation 1

The Committee recommends that the House of Representatives resolve, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: RAAF Base Edinburgh Redevelopment Stage 2, South Australia.



Appendix A – List of Submissions

RAAF Base Edinburgh Redevelopment Stage 2

- 1 Department of Defence
 - 1.1 Confidential (Supplementary)
 - 1.2 Department of Defence (Supplementary)
 - 1.3 Confidential (Supplementary)
- 2 Construction Forestry Mining and Energy Union, Forest and Forest Products Division, South Australia District



Appendix B - List of Inspections, Hearings and Witnesses

RAAF Base Edinburgh Redevelopment Stage 2

Tuesday, 21 April 2009 – Adelaide

Site Inspection

RAAF Base Edinburgh

Public Hearing

Department of Defence

Brigadier Bill Grice, Director General, Infrastructure Asset Development Branch

Mr Vijay Tampi, Project Director – Victoria/South Australia

Wing Commander Rodney Philip Smallwood, Base Commander, RAAF Base Edinburgh, Royal Australian Air Force

Mr James Smith, Manger, Technical Services, Defence Support South Australia

Mr John Craven, Project Manager/Contract Administrator, RAAF Base Edinburgh Redevelopment Stage 2 Project

Mr Graeme John Coppock, Defence Manager, Kellogg Brown & Root Pty Ltd

In-camera hearing

Six witnesses