



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Rationalisation of Australian Defence Force facilities at RMAF  
Butterworth, Malaysia**

FRIDAY, 15 JUNE 2007

CANBERRA

BY AUTHORITY OF THE PARLIAMENT

**JOINT STATUTORY COMMITTEE ON  
PUBLIC WORKS**

**Friday, 15 June 2007**

**Members:** Mrs Moylan (*Chair*), Mr Brendan O'Connor (*Deputy Chair*), Senators Hurley, Parry and Troeth and Mr Forrest, Mr Jenkins, Mr Ripoll and Mr Wakelin

**Members in attendance:** Senators Hurley and Troeth and Mr Brendan O'Connor

**Terms of reference for the inquiry:**

To inquire into and report on:

Rationalisation of Australian Defence Force facilities at RMAF Butterworth, Malaysia

**WITNESSES**

**Grice, Brigadier William Alfred, Director General, Infrastructure Asset Development,  
Department of Defence ..... 1**

**Grigson, Wing Commander Francis Frederick, Commanding Officer, 324 Combat Support  
Squadron, Royal Australian Air Force, Department of Defence ..... 1**

**Ross, Mr William John, Contractor, Department of Defence..... 1**

**Stockdale, Group Captain David Russell, Director, Project Development and Delivery (North  
West), Department of Defence ..... 1**

**Woods, Mr Brian Patrick, Director, South ASEAN, Department of Defence..... 1**



**Subcommittee met at 1.50 pm**

**Grice, Brigadier William Alfred, Director General, Infrastructure Asset Development, Department of Defence**

**Grigson, Wing Commander Francis Frederick, Commanding Officer, 324 Combat Support Squadron, Royal Australian Air Force, Department of Defence**

**Ross, Mr William John, Contractor, Department of Defence**

**Stockdale, Group Captain David Russell, Director, Project Development and Delivery (North West), Department of Defence**

**Woods, Mr Brian Patrick, Director, South ASEAN, Department of Defence**

**ACTING CHAIR (Mr Brendan O'Connor)**—I declare open this public hearing into the proposed provision of facilities for the proposed rationalisation of ADF facilities at RMAF Butterworth, Malaysia. This project was referred to the Public Works Committee on 10 May 2007 for consideration and report to parliament in accordance with subsection 17(3) of the Public Works Committee Act 1969:

- (3) 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.

Earlier the committee received a confidential briefing from the Department of Defence. The committee will now hear evidence from the Department of Defence. I remind officers that they are still sworn. Welcome. Thank you for meeting with us today, Brigadier. The committee has received the statement of evidence from Defence. This will be made available in the volume of submissions for the inquiry and is also available on the committee's website. Does Defence wish to propose amendments to the submission it has made to the committee?

**Brig. Grice**—There are no amendments.

**ACTING CHAIR**—I now invite a representative of the Department of Defence to make a brief opening statement, after which we will proceed to questions.

**Brig. Grice**—I would just like to start by acknowledging the presence of Brigadier Peter Hutchinson (Retired) in the gallery, my predecessor in this appointment.

**ACTING CHAIR**—We have not seen him out of uniform before. Welcome. No wonder I did not recognise him—he is camouflaged.

**Brig. Grice**—Since this project was his during development, maybe we should swear him in!

**ACTING CHAIR**—I think he had enough of that when he was in your shoes.

**Brig. Grice**—This proposal seeks endorsement of the costs to rationalise the ADF dedicated facilities at RMAF Butterworth, Malaysia. RMAF Butterworth contributes to the defence of Australia's regional interests within the Five Power Defence Arrangements by accommodating Air Force and Army units which support Australian Defence Force deployments in South-East Asia and routinely assist Australian Defence Force exercises and visiting units. International policy division has confirmed the ongoing nature of Australia's defence interest in maintaining a presence at RMAF Butterworth and the long-term requirement for ADF facilities at Butterworth.

The aim of this project is to address a number of deficiencies within the ADF working and living accommodation on the base. Due to their age, the type of construction and the prevailing tropical conditions, the buildings suffer from a range of deficiencies such as structural defects, termite infestation, asbestos and substandard ablutions, all of which pose a risk to occupational health and safety and security of Australian personnel. A program with a mix of refurbishment, adaptive re-use and replacing old with new buildings is proposed. The project will include the construction of three new headquarter buildings, a combined armoury, installation of a sewage treatment plant, and refurbishment of accommodation and support facilities. The total estimated out-turn cost of this proposal is \$A23.6 million. With respect to the future net personnel and operating costs, this project is expected to be cost neutral. There is no increase in staff numbers or functions from this project.

Ecologically sustainable development requirements have been incorporated into the design to the extent possible. Initial environment and heritage assessments have indicated that the proposed new works comply with our international obligations under the Environment Protection and Biodiversity Conservation Act 1999. An internal environmental clearance certificate has been issued by Defence's environment, heritage and risk branch and has been obtained for the project. The Australian Greenhouse Office was consulted during the development of the submission and, subject to parliamentary clearance, Defence intends to commence the works in early 2008, with completion by late 2009. The Malaysian government's consent to this project was received in March 2007.

**ACTING CHAIR**—Thank you, Brigadier. We heard in the confidential briefing about the economics behind the decision not to rationalise the facilities into one building. Can you, for the record—without going into any particulars or costings—outline the reasons why you thought it was best to undertake it the way it is proposed, as opposed to finding one particular building, please?

**Brig. Grice**—Certainly. The functional design brief for the project included an option for a single headquarters building and the option which we have selected for building new

headquarters dispersed within the areas allocated to the Australian Defence Force. Australian Defence Force facilities are integrated and adjacent to Malaysian facilities. The new buildings that we are proposing are of similar design and construction to the existing Malaysian buildings. If we were to collocate all of these three headquarters on a single site—for example, at the current 324 Combat Support Squadron headquarters site—there would be insufficient land available to provide all of the facilities in a single-storey building. A multistorey structure would have been required. This was not considered appropriate due to the surrounding single-storey environment and the Australian Defence Force's desire not to be seen to have facilities larger than its host. This was keeping in mind our status on the base as guests of the Malaysian government.

If we had proceeded with the option to build a two-storey building, there would have been a slight increase in costs due to the requirement for additional circulation areas, stairwells and emergency exits in a two-storey building, as well as the requirement for an elevator in a multistorey building for access by disabled personnel. So it was not practical or possible to do it on the site available without expending more funds. There are also functional benefits to Defence by going with three separate headquarters, because it means the functional elements will be collocated with the remainder of the facilities and the operations that they undertake. For example, 92 Wing Detachment will be located adjacent to the flight line where they are responsible for the conduct of flight operations, and the Rifle Company Butterworth headquarters will be located adjacent to its Q store, armoury and other administrative facilities. So there are functional efficiencies in going through separate buildings.

**ACTING CHAIR**—Thank you. So it would be financially and operationally preferred that we undertake this process rather than having it all relocated.

**Brig. Grice**—That is correct.

**ACTING CHAIR**—I was just trying to concisely encapsulate what you were putting. I think it is also important to explain for the record, firstly, the need for the proposed sewerage plant. I also think it is important that we have on the public record the reasons why there is a dire need for improvements to the current sewerage arrangements. We also need to explain how that is applied and who it applies to, because there was a concern of the committee that this would be an expenditure outlaid by the Commonwealth but it would possibly be used by other personnel. That is not the case. Could you explain that, please, Brigadier?

**Brig. Grice**—I am showing you a photograph of the current sewerage treatment plant at the base, which is maintained as a responsibility of the Malaysian government. It is barely functioning and outflows into an open drain off the base area. There are other issues that arise because it is not functioning correctly: pipes can block up and sewage can back up and flow into the buildings which we occupy. So this was not a good thing for several reasons, one of which is that, under our responsibilities internationally under the EPBC Act, we have to act in a responsible manner with regard to sewerage. Also this is not sufficient for the occupational health and safety of our soldiers and airmen.

The Malaysian government is intending to replace the sewerage plant at some time but we are unaware of when that may be, and it may be many years before that is undertaken. What we are proposing to do is to install a packaged sewerage treatment plant which would collect and treat

all of the sewage effluent which comes from the living-in accommodation occupied by the Australian forces, and treat the effluent that we produce on the base. The treated water and effluent would be recycled and the grey water would be re-used to water plantings and sports fields on the base. Since the Malaysians on the base will not receive any benefit from the sewerage package treatment plant that we are going to put in, there will be no cost-sharing arrangement. We propose that Australia will pay for the treatment of the effluent produced by our service people.

**Senator TROETH**—That would give you the ability to have it as you want?

**Brig. Grice**—Correct.

**Senator TROETH**—To specify it.

**Brig. Grice**—To our requirements. It also gives us the utility in the future, once the base infrastructure has been upgraded, of decommissioning, selling, re-using and recouping some expense to the Commonwealth.

**ACTING CHAIR**—Is there any evidence that the current arrangement is a health and safety risk? On the face of it it would appear to me that that could lead to some sufficient risks for people located there. Have there been any examples of that?

**Brig. Grice**—I might pass that question to the base commander, Wing Commander Grigson.

**Wing Cmdr Grigson**—Just after we got there we had what I would categorise as a catastrophic blockage to the sewerage system, affecting other lines. We had to take steps ourselves to remedy that—to unblock it and start the free flow again.

**ACTING CHAIR**—Were there a lot of volunteers for that?

**Wing Cmdr Grigson**—Yes, quite a few.

**ACTING CHAIR**—Volunteers, army style?

**Wing Cmdr Grigson**—It is a problem. What we try and do at the moment is keep our eyes on the ejector stations and make sure that they do not get blocked up. If they start to show signs of being blocked up, we bring a contractor on and empty them at the points that need to be emptied.

**ACTING CHAIR**—I thought that it would be possible for people to get sick from the fact that the current sewerage is an open sewerage channel. There has been no evidence of that to date?

**Wing Cmdr Grigson**—There is no evidence. There are the usual gastro type illnesses that people get as a part of eating and drinking, but there is no evidence that directly links it.

**ACTING CHAIR**—I certainly think it is good that you are attending to that particular matter.

**Senator HURLEY**—You say in your submission that the transit accommodation is being arranged for elsewhere at the moment because it cannot be done currently at Butterworth. What is that accommodation and can it not continue to be used?

**Brig. Grice**—The transit accommodation on the base is currently being used. However, there are OH&S issues. For one, the ceilings are not fire rated, so there is an issue there. The water which is used in those buildings is not treated or filtered, so the defence personnel use bottled water to clean their teeth and that type of thing. We will be eliminating those risks by installing a filtration and purification system in each of the buildings to treat the water as it comes into the building. We will be undertaking other refurbishment works to replace the ceiling with a fire-rated ceiling so that it complies with the BCA requirements.

If you look at the chart behind me, you will see at the bottom of the master plan some senior NCOs' and officers' accommodation, which is at the other side of the road and outside the secure perimeter of the air base. We are concerned for the security of our personnel, we want to move them onto the base proper—inside the secure perimeter—and we are providing some individual and double rooms in the existing transit accommodation to allow the officers and senior NCOs to relocate away from those facilities onto the secure perimeter of the base.

**Senator HURLEY**—Are you saying that you will be doubling people up in future, or is that the current situation?

**Brig. Grice**—No, we will not be doubling them up. There will be some rooms that will be there for officers and senior NCOs. What we have done is made sure that each room has double the number of beds that are required for the usual population. A four-person room is fitted with four sets of double bunk beds so that during operational activities, such as in Operation Tsunami Assist, the response to Aceh, we had the opportunity to surge people through there and hold up to 700 people instead of 340-odd, which is the normal distribution of people within those transit accommodation buildings.

**Senator HURLEY**—Quoted in your submission was a figure of 332 transit personnel; is that right?

**Brig. Grice**—That is correct.

**Senator HURLEY**—How is that figure calculated?

**Brig. Grice**—That is calculated by the normal number of people that we would put in each of the rooms. Some of the rooms are normally for occupation by a single person, be it an officer or a senior NCO; by two people; or by four people in the other ranks and soldiers. However, in a room that was designed for an officer there is a set of bunk beds so that, when there is an operational surge, that one-person room could become a two-person room for the period of the operation. Similarly, a two-person room can hold four people for short periods of time as people deploy or redeploy on operations or other training activities, and a four-person room can become an eight-person room. Currently those beds exist. What we are doing is enhancing the level of amenity of those buildings by painting them and increasing their compliance with occupational health and safety and the Building Code of Australia by rectifying those issues that are non-compliant with those codes at the moment.

**Senator HURLEY**—So how often would you operate at full or almost full transit capacity?

**Brig. Grice**—I will pass that to Wing Commander Grigson to give you an indication.

**Wing Cmdr Grigson**—We have two exercises a year, normally in April, May or September. If I use the last exercise as an example, Bersama Shield, which was run in April-May this year, we had in excess of 450 people accommodated on base. That included the rifle company, which rotates every three months.

**Senator HURLEY**—And the transit personnel are a mixture of officers and NCOs?

**Wing Cmdr Grigson**—And airmen.

**Senator HURLEY**—And they are catered for in the general mix of accommodation?

**Wing Cmdr Grigson**—Yes, they are.

**Brig. Grice**—Senator, if you look at the drawing in the top left corner on the board, you will see that at the very left of the drawing there are four rooms that are large and two rooms that are small.

**ACTING CHAIR**—It is also in annexure D of the submission.

**Brig. Grice**—So the large rooms are normal four-person rooms which during requirements for operations or for short periods could hold eight people. The smaller rooms are one-person rooms for a section commander, senior NCO or officer, which would normally hold one person but, when required, two people could occupy those rooms.

**Senator HURLEY**—And you feel that that kind of accommodation arrangement is suitable for the expected life of the buildings in the new project?

**Brig. Grice**—Yes, we think it is appropriate, given the transitory nature of those activities. We do not think it would be in our best interests to build another 300 rooms to cater for what are operational and short-term requirements where, by definition, you use what you have got.

**Senator HURLEY**—I have a question about the heritage aspect. You say in your submission that it complies with the Commonwealth heritage values. Does that refer to the Australian standard? Is there any equivalent Malaysian standard?

**Brig. Grice**—We have conducted a heritage impact assessment. Our advice is that there are no significant heritage elements on the site. However, the report notes that any buildings we demolish should be recorded and photographed prior to demolition so that we have a permanent record of those. The Malaysian government has no issues with the replacement of these old facilities with new facilities. The EPBC Act applies worldwide, so our investigations into environmental and heritage concerns have been done to meet the strict provisions of the EPBC Act.

**ACTING CHAIR**—I want to refer Defence to paragraph 88 of its submission, which covers a number of things, including the requirement for ADF to pay site lease and building rental charges. I want to get an idea of what those charges are and what they are for, given that we are building the building. Is the rental more like a local tax or is it renting the property—leasing the land upon which the building is constructed? Is that what the building rental charge would be for?

**Brig. Grice**—The letter of agreement between Australia and Malaysia which was signed in 1998 sets out these issues. Under that agreement, Australia operates some 100 buildings—about 37,000 square metres of space—and maybe another 50,000 or 60,000 square metres of aircraft parking apron and that type of thing. The basis for the agreement was that Australia would pay the Malaysian government a fee for the use of the facilities and for utilities, and that fee would be based on the Malaysian valuation of the facilities.

**ACTING CHAIR**—The original buildings were their buildings. In this instance, clearly there are still site lease requirements, but would there still be rental on buildings that have been demolished?

**Brig. Grice**—The rent that we pay is of the order of some \$500,000 a year for some 37,000 square metres of facilities, which, if you do a calculation, is a token amount.

**ACTING CHAIR**—Yes.

**Brig. Grice**—Since 1998, there has been no revaluation of the facilities by the Malaysian government, and our rent has not increased.

**ACTING CHAIR**—‘Don’t mention it!’—is that what you are saying?

**Brig. Grice**—That is right! Under the letter of agreement, Australia can build new facilities if it wants to, but it is at Australia’s cost, and if and when we ever vacate the facilities, they would revert to the control and ownership of the Malaysian government. So, at the moment—and Mr Woods may want to add something—Defence is not looking at renegotiating the provisions or seeking to have a revaluation occur.

**Mr Woods**—I can only concur with what Brigadier Grice has said. We do not want to renegotiate the agreement at this stage, because we believe that the agreement is best for us.

**ACTING CHAIR**—Yes. I could have left that one alone, obviously—I will whistle and move on. You have also mentioned water usage and the fact that you are looking at improving water and energy conservation. It is in the submission, but I thought it would be useful to place a few words on the record about the proposed design and how it will comply with the current Commonwealth energy policy. Would you like to outline the benefits in this particular area—an area which is under more scrutiny today than it has been for many years? It is in paragraph 65 of the submission.

**Brig. Grice**—We discussed the requirements with the Australian Greenhouse Office, and the buildings have been designed with an aim to achieve a 20 per cent improvement in energy efficiency. With regard to water usage, we will be using the standard AAA low-flow fittings and

that type of thing to reduce water consumption. The other major thing that we are doing is we are collecting, treating and re-using water from showers, toilets and ablutions, which will be used for irrigation, so there will be a substantial reduction there.

With regard to the energy targets, the 20 per cent improvement or the minimum requirements of the BCA will be achieved through a variety of measures, including an increased temperature set point of 26 degrees for air-conditioned areas, passive roof ventilation in all of the new buildings and 10-millimetre Suncool single-glazed windows. We will be using low-absorption roof colours and time based control of lights and other plant and equipment, including air conditioners. We will also be incorporating passive thermal design into the works. Control of external solar loads for hot and humid climates is extremely important. All buildings have been designed with the cost-effective control of heat gains in mind. Key features of the design approach include: shading of windows and external walls using eaves; correct orientation; low-absorption reflective roofs; ventilation of roof spaces; a foil-backed insulation blanket attached to the underside of the roof with consideration of thermal bridging from steel pylons; insulated ceiling tiles with reflective foil backing, creating a reflective air space within the roof spaces; and high levels of wall insulation, with a rating of R1.5.

**Senator HURLEY**—You have enumerated that the building design is going to take into account local conditions and so on. Is there any provision for the contractor to be around for any period after the building takes place to make sure that it all functions properly and is working according to plan? What kind of maintenance schedule do you have in place?

**Brig. Grice**—All of Defence's contracts include warranty periods of up to three years on all plant and equipment that are provided, as well as a defects liability period, which is of the order of 12 to 18 months on all new construction. The managing contractor will be required to have a presence and to come back to rectify anything that occurs during the defects liability period. We anticipate that, through the tendering process, the managing contractor will be one who already has an office in Malaysia and would retain this presence in the country at no additional cost to us. In addition, all of the subcontractors who will perform the work will be Malaysian subcontractors and they would still be around to be able to be brought back to rectify defects.

**Senator HURLEY**—And could you outline the ongoing maintenance of the buildings to ensure the least deterioration possible?

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

**ACTING CHAIR**—Again, this is a matter that was raised in confidential briefings, but it is important that we express publicly what you are doing regarding the removal of hazardous material. As you indicated to us privately, it is complying with Australian standards and local standards, but can you outline to us your earlier assurance that it is being dealt with properly?

**Brig. Grice**—Yes. As I stated earlier, the base commander and his staff have had experience locally with the removal of asbestos in buildings. There is a Malaysian regulatory regime which local licensed contractors are required to follow for the safe removal and disposal of asbestos, and we have successfully undertaken that in the past. In addition, the managing contractor will be required to supervise the works and ensure that they are conducted in accordance with Malaysian and Australian standards to the satisfaction of our independent project management contract administrator. The other very small indication of contamination that I spoke about during the earlier briefing was around a waste oil collection point which is currently on a bunded concrete slab. This will be demolished, removed and upgraded with a more substantial structure.

**ACTING CHAIR**—Thanks very much, Brigadier. What consultation has taken place to date with the Malaysian department of defence and any other local authorities, and what needs to be further undertaken in the form of consultation in order for this project to go ahead unimpeded?

**Brig. Grice**—During the course of the project we have consulted with the Malaysian secretary-general of defence, officials of the Malaysian Ministry of Defence, Malaysian military representatives on RMAF Butterworth, the Malaysian Defence Attaché and the Malaysian High Commission in Canberra, the Australian Department of Foreign Affairs and Trade, the Australian High Commission in Malaysia, the Malaysian Industrial Development Authority, the Malaysian consulate in Sydney, and the Australian Greenhouse Office. In March this year, Malaysian government approval for the works was received. We do not anticipate any further approvals to be required from the Malaysian government prior to commencement of the works. When we come to connecting—

**ACTING CHAIR**—You say you do not need further approvals?

**Brig. Grice**—We do not believe so; we believe we have the approvals required.

**ACTING CHAIR**—What then, for example, if the Royal Malaysian Air Force had a different view to yours with respect to some part of the project? How would that be reconciled?

**Brig. Grice**—During the development and consultation process we have thoroughly briefed the Malaysian airport. They are onboard and agree with all aspects of the project. Perhaps Wing Commander Grigson would like to add to that.

**Wing Cmdr Grigson**—The RMAF base commander is kept abreast of everything that goes on. I will go back and brief him on these hearings; he knows I am here today. I link in with him and talk to him about some of the issues we may deal with, such as contractor entry onto base, security and things like that. So, as the brigadier said, they are fully onboard, they understand the complexities of the project and they are more than happy for us to go ahead and develop as per the submission in front of you.

**Brig. Grice**—In the unlikely event that there was a disagreement, we would act in good faith and negotiate in good faith in order to resolve it in the best interests of the Commonwealth.

**ACTING CHAIR**—Going back to that 1988 letter of agreement between the two countries, was that open ended so there is an indefinite time frame?

**Brig. Grice**—That is correct.

**Mr Woods**—It is an open-ended document. It requires either us or the Malaysians to give six months notice if we want to renegotiate or pull out of that agreement.

**ACTING CHAIR**—So it has no maturation as such?

**Mr Woods**—No.

**ACTING CHAIR**—But it does allow parties to withdraw with notice?

**Mr Woods**—That is correct.

**ACTING CHAIR**—And it does not look as if that is likely?

**Mr Woods**—Certainly not with our defence relationship with Malaysia at the moment. If you think back to some of the bad days when Dr Mahathir was the Prime Minister of Malaysia, the defence relationship was still very strong in those periods as well.

**ACTING CHAIR**—Despite some recalcitrance.

**Mr Woods**—Well, possibly, but—

**ACTING CHAIR**—I think the Malaysian is a character—they both are. We did not really touch on this at any length in the confidential briefing, but I think it is important that we note the security measures being undertaken. You would think there would be a sufficient level of security now, but if there are any new arrangements, could you outline those to us? Can you assure us that you are satisfied the site will be secure during the construction and, of course, after the construction of the project, if it was approved?

**Brig. Grice**—There are a couple of issues here. There is the design of the facilities, access to the base, and the relocation of our sergeants and officers from across the road to within the secure perimeter of the base. I might cover a couple of these issues, then I will pass to Wing Commander Grigson to provide supplementary information. The facilities will comply with the requirements of the defence security manual. The armoury and the headquarters have been designed in accordance with Defence and ASIO security specifications. We and ASIO are quite happy with the design standards which have been put in place, including access control to the headquarters building, intruder alarms, and closed circuit TV monitoring of other areas where we undertake operations. During construction the managing contractors will be handed sites as and when they require access to them. The sites will be fenced, and access onto the sites will be controlled. I will pass now to Wing Commander Grigson to talk about access of subcontractors onto the base and what the requirements are for the induction of those people onto the site.

**Wing Cmdr Grigson**—The standard method that applies to visitors and contractors coming onto the base is that we have to provide the RMAF base commander at Butterworth with names and other information about those people six weeks before they enter the base. On arrival at the front gate, contractors and contractors' labourers have to hand over their identification cards to the Handau—the RMAF security police. They are then handed visitors passes, at which time

they are allowed onto the base. They are briefed about where they can go and where they cannot go. I have not had any security problems with contractors since I have been there, and I have been there for just over 12 months.

**ACTING CHAIR**—I guess there would be a greater proportion of non-personnel during a construction period, and I think you would want to be satisfied that there was sufficient screening of non-personnel—that is, contractors, labourers and the like—so that there was a reduced risk of anything happening or any threat to Australian defence personnel.

**Wing Cmdr Grigson**—We do it in two ways. Firstly, the Malaysians undertake a check, which is why we have to give them that amount of time, so they are satisfied that they are bona fide people who can come onto the base, because a lot of their labour force are migrants. They are very—if I can use the word—anal about their approach to security in relation to Indonesian workers. And, secondly, we take our own steps. We brief our people about contractors being on base. They need to wear a very specific colour of pass, and we take steps to ensure that they do not intrude into areas where they should not be.

**Brig. Grice**—Measures include a designated route from the base entry to the area where they work, the area where they would be working being fenced, and simple things such as people who are outside of that area for no particular reason having their employment terminated.

**ACTING CHAIR**—Right. It is pretty sensitive stuff. I understand that. Before closing, I thank the witnesses today, especially the brigadier, who had to shoulder most of the questions. Thank you for the private briefing also. It has been a very well prepared submission, always made less complicated by the fact that there were no other objectors or other parties involved. I do thank you for the very extensive costings. It makes our job easier when we get most, if not all, of the information that is relevant to the proposal.

Resolved (on motion by **Senator Hurley**):

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

**Subcommittee adjourned at 2.30 pm**