



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

JOINT COMMITTEE ON PUBLIC WORKS

**Reference: Defence Force School of Signals redevelopment, Simpson Barracks,  
Watsonia, Victoria**

FRIDAY, 16 FEBRUARY 2007

MELBOURNE

BY AUTHORITY OF THE PARLIAMENT



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**JOINT STATUTORY COMMITTEE ON  
PUBLIC WORKS**

**Friday, 16 February 2007**

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

**Members in attendance:** Senator Parry, Mr Forrest, Mr Jenkins and Mrs Moylan

**Terms of reference for the inquiry:**

To inquire into and report on:

Defence Force School of Signals Redevelopment, Simpson Barracks, Watsonia, Vic.

**WITNESSES**

**BUTTERFIELD, Mrs Bronwen Anne, Assistant Director, Environmental Impact Management,  
Department of Defence ..... 1**

**GAINSFORD, Lieutenant Colonel Mark Rex Stephen, Commanding Officer, Defence Force  
School of Signals ..... 1**

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

**LONIE, Mr Andrew Russell, Associate, Sinclair Knight Merz ..... 1**

**MESZAROS, Ms Brigitte Cheryl, Senior Consultant, Woods Bagot..... 1**

**TAMPI, Mr Vijay, Project Director Victoria, Infrastructure Asset Development, Department of  
Defence ..... 1**



**Committee met at 10.50 am**

**BUTTERFIELD, Mrs Bronwen Anne, Assistant Director, Environmental Impact Management, Department of Defence**

**GAINSFORD, Lieutenant Colonel Mark Rex Stephen, Commanding Officer, Defence Force School of Signals**

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

**TAMPI, Mr Vijay, Project Director Victoria, Infrastructure Asset Development, Department of Defence**

**LONIE, Mr Andrew Russell, Associate, Sinclair Knight Merz**

**MESZAROS, Ms Brigitte Cheryl, Senior Consultant, Woods Bagot**

*Witnesses were sworn—*

**CHAIR (Mrs Moylan)**—I declare open this public hearing into the proposed Defence Force School of Signals redevelopment, Simpson Barracks, Watsonia. This project was referred to the Public Works Committee on 7 December 2006 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 this morning the committee received an inspection of the site, and a confidential briefing on costings from the Department of Defence. The committee will now hear evidence from the Department of Defence. I welcome the witnesses to this hearing and thank them for assisting the committee with its earlier inspections. The committee has received a statement of evidence from the Department of Defence and this will be made available in a volume of submissions for the inquiry. The submissions are also available on the committee's website. Does the Department of Defence wish to propose any amendments to the original submission it made to the committee?

**Brig. Grice**—We have no amendments to the original submission, but you will be in receipt of a letter from us from about three weeks ago which changes some of the attachments in the evidence. They are the only changes we wish to make.

**CHAIR**—I now invite you to make a brief opening statement before we proceed to questions.

**Brig. Grice**—Thank you. This proposal seeks approval for the Defence Force School of Signals redevelopment at Simpson Barracks, Watsonia, for the Department of Defence. In 2002 the Defence Force School of Signals commenced operation as a combined Army, Navy and Air Force training facility using the former Army School of Signals at Watsonia as its foundation. As the school is the principal Defence communication and information systems and electronic warfare training establishment, it is a major element of the Defence Force's command, control, communications, computing and intelligence capabilities. These capabilities overlay all other capabilities that Defence delivers to government and in turn assist with whole-of-government activities.

The school is currently located across three major campuses—one in southern Queensland at Borneo Barracks, Cabarlah, and two in southern Victoria—where we are now, at Simpson Barracks Watsonia, and at HMAS *Cerberus* at Crib Point. This situation limits joint and network training, increases the cost of operating the school and constrains effective command and control, knowledge and resource sharing and the development of interoperability.

The current working facilities at Watsonia do not meet the security and space requirements necessary for training due to an expansion of course numbers and a shortage of top-secret facilities. The delivery of training to support concepts such as network-centric warfare may be compromised as a result of inadequate facilities. The lack of top-secret space severely limits training and opportunities to develop interoperability and training for participation in coalition networking.

The proposed program of works includes constructing and refurbishing training and living-in the accommodation; constructing and refurbishing working accommodation and training facilities; and improving the services infrastructure at Simpson Barracks. The out-turn cost for this project is \$101.3 million. This includes professional design and management fees, construction, furniture, fittings and equipment, together with appropriate allowances for contingency and escalation. The project was foreshadowed as part of the 2007-08 Defence budget. Subject to parliamentary clearance, it is intended to commence works in late 2007, with the works being complete by late 2009.

**CHAIR**—You are familiar with the submission that the committee received from the Hon. Greg Hunt MP, federal member for Flinders. How far away is *Cerberus* from here?

**Brig. Grice**—It is about 2½ hours by road.

**CHAIR**—So it is quite a long drive. There is a question that I thought we should ask for the record. I can understand why the facility in Queensland might be difficult to coordinate, but I just wonder if it is absolutely essential to move people from *Cerberus* to here. The department asserts in its submission that the approach taken is consistent with the Defence Efficiency Review. I wonder if you could perhaps in more detail explain what those efficiencies are. I think

that in the confidential cost briefings we talked about a number. But can you outline for us what the advantages are for this expenditure of quite a large sum of money when *Cerberus* is a couple of hours away?

**Brig. Grice**—I will pass to Lieutenant Colonel Mark Gainsford in a minute. Rationalisation of this type of training was first identified as a priority by Defence in 1998 in a review. It was confirmed in 2002 with the establishment the Defence Force School of Signals from the service specific training schools. The rationalisation for a single campus is that it aims to improve the ability of Defence and each service to deliver improved joint and network outcomes, which is the future of Defence operations. I will let Lieutenant Colonel Gainsford go through some of the difficulties he has and how this project will help to alleviate them.

**Lt Col. Gainsford**—I think the first thing that is important in the communications and information systems area is that for the servicemen of each uniform flavour—Army, Navy and Air Force—this business is largely common. As we deploy and operate in various parts of Australia and overseas, we use like equipment and we interoperate between ourselves. One of the key facets of that is the training base. The training base for Army, Navy and Air Force is best delivered where you identify those common areas and you seek to maximise them.

More practically, as a commanding officer of the school, having an element dislocated by a matter of a couple of hours does not maximise that training opportunity and does present you with some difficulties with command and control direction and day-to-day management. I think we can make best use in terms of training, utilising a common base, recognising signal service differences and also joining together or integrating far better those training continuums as they exist today.

**Brig. Grice**—I might add one more thing with regard to the wing that is located at Borneo Barracks in Cabarlah. You would be aware of the force disposition review that is going on and that has been in the public arena. Borneo Barracks at Cabarlah is one of those locations. In due course, recommendations will go to government about the future of that base and whether it should be retained or whether it should be moved. It might be moved and it might be moved here. We have allowed space for where facilities could be provided. But that is all we have done. We do not know the outcome. Recommendations are yet to be put to government and government is yet to make decisions on that matter.

**CHAIR**—Can we perhaps get a little more clarification on where the actual savings are to be made? I am not sure that I fully understand what the real advantages are.

**Brig. Grice**—Savings come in two areas. One is in the operation of the base, which we have discussed this morning. The second is through efficiencies in the provision of training. While we do not have dollar figures on those at the moment, there may be efficiencies in the number of staff once the maritime wing relocates and there may be efficiencies in the delivery of the training. The CO will talk about how he intends to go about establishing those. But I will point out that in the strategic review which was conducted previously it was recognised that there are savings through the amalgamation of these capabilities through a reduced number of instructors and that type of thing. I will hand over to Mark for him to say how he intends to go about trying to reap these savings.

**Lt Col. Gainsford**—There are two elements. Firstly, there is the advanced training, which is more immediate. We are already starting to see common training between elements at *Cerberus* and here at Simpson Barracks. They can use the same training base and the same instructors. In fact, with co-location, some of those instructional billets might not be required. More long term, once they co-locate, the first recruits that we get in the Army, Navy and Air Force can exploit the same base of training. Through that, whether it be military delivered instruction or contract delivered instruction—of which we have a portion—we can seek to maximise that use for each of the services under the one integrated training program. That should also facilitate instructors being shared across the three services. At the moment, in different localities similar instructors are delivering the same course material in duplicate form over those three different services. We are looking for some instructor and manning capacity advantages being achieved by co-locating here at Simpson Barracks.

**CHAIR**—Mr Hunt makes the point in his submission that it is the communication and information systems maritime training that remains a concern for him. Can you outline for us on the public record why you think that his suggestion should not be considered?

**Brig. Grice**—On two counts. One is that the facilities to provide for the maritime wing are included in the total package that we are presenting to you. They cannot easily be extracted without a redesign of the project.

**CHAIR**—How are they training now?

**Brig. Grice**—They are training in facilities down at HMAS *Cerberus*. You may want to talk about those. Those facilities will be vacated and may be taken up for other purposes by Navy.

**CHAIR**—Has this been discussed with the personnel? Do they want to make this move?

**Brig. Grice**—No Navy person wants to leave a Navy base and relocate onto a joint facility; that is clear. There is a history of that having happened. Navy is concerned, particularly with the current state of its force in being, about stresses on the CIS trade stream once they relocate. But, as difficult as those things are, in the medium to longer term the best outcome is for the co-location of that capability with the rest of it so we grow the capability together as a defence force. I would add that the number of permanent staff that will be moving up here is around 50; there are of the order of nearly 800-odd permanent staff on the base; and there is a total of about 250 trainees who would conduct their training up here rather than down at *Cerberus*. So the department has identified that the effect on the area around HMAS *Cerberus* will be minimal. Of those less than 50 trainers, some of them live on base; some of them live in the community in Defence housing.

**CHAIR**—We have dealt with these issues before in relation to Point Cook and the co-location at joint headquarters command in Canberra, so we are aware of the views expressed in the Defence Efficiency Review which was conducted in 1997. It is a fair time ago, and I think some of that work has progressed. Has it been successful? Where has the co-location happened in other scenarios, and has it been successful?

**Brig. Grice**—The Defence Force Academy is one where it is successful. It was put together earlier, in the mid-eighties. It is outside my area. I would have to look for other examples of where the joint training establishments have been put together.

**CHAIR**—I suppose I am just a touch concerned because earlier, I think, if my hearing is correct, Brigadier Grice, you said that you had not been able to fully quantify or put a figure on the efficiencies and savings, and yet in the costings you are estimating a \$600,000 saving through this measure. So I am just trying to find out whether there has been some formal study done on the efficiency and cost savings or not.

**Brig. Grice**—I would have to take on notice whether there have been any post-occupation studies done on other triservice facilities that have been put together. It is too early to know for headquarters JOC what the results of that are. But we could have a look to see if there have been any studies done. I doubt it.

**CHAIR**—So on what empirical evidence are you basing your assertions that this will meet and is consistent with the Defence Efficiency Review and talking about savings of \$600,000 by this move from *Cerberus*?

**Brig. Grice**—The savings that we mentioned this morning in the confidential cost briefing come as a result of the facilities costs that are within my area of expertise and that we have studied during the development of this proposal. The other costs regarding efficiencies in personnel are outside my area and I am unprepared to speak to those—except that, since the Defence Efficiency Review, there have been consultations within Defence. This proposal did go through the Chiefs of Staff Committee and through cabinet, where it was identified as meeting the aims of the Defence Efficiency Review, and we are implementing the project.

**CHAIR**—Thank you very much. I do not have any further questions at this moment.

**Senator PARRY**—Brigadier, in paragraph 2 of your submission it says 5,000 students come through the base on an annual basis. That is the latest figure. I just want a breakdown of the general length of stay. I heard a figure this morning of a six-month course. How many people are on the base at any one time? What is the breakdown of short-term and long-term stays? And you have introduced another concept: the Borneo Barracks. If students and staff were relocated from there, what would be the expected capacity from that? I know that is a hypothetical, but we need to take that into account, in any event. So could you or Lieutenant Colonel Gainsford give me a breakdown?

**Brig. Grice**—On the approximate costs if we were to relocate it down here—

**Senator PARRY**—No, not costs; numbers—volume, people. How many people would be expected to be accommodated here?

**Brig. Grice**—It is about another 50 staff.

**Lt Col. Gainsford**—The throughput for Cabarlah approximates 300 to 500 per annum.

**Senator PARRY**—So you are indicating that you could cope with the additional staff and the additional student volume if that was to be a situation in the future?

**Brig. Grice**—I am indicating that if that capability was to relocate here there would need to be a project to provide working and additional living accommodation to cope with those numbers.

**Senator PARRY**—Has that been canvassed?

**Brig. Grice**—During the development of this project, in the very early stages, there was an option which included bringing that capability down here, but it was not taken up by Defence.

**Senator PARRY**—It would be very difficult for us to approve a project that was not going to have that capacity. If that is a likelihood, we probably need to get some indication in writing on notice.

**Brig. Grice**—I think it is probably best if we go back into a confidential briefing at the end of this so I could give you some more information on that.

**Senator PARRY**—Thank you. Going back to the first part of the question, could Lieutenant Colonel Gainsford highlight the average length of stay—the rotation? We want to get a handle on how many students are here at any one time and maximum capacities.

**Lt Col. Gainsford**—As you mentioned, there are 5,000 as an annual throughput for the school in its entirety. As we have heard, there are approximately 200, 250 to 300 for *Cerberus*, 300 to 500 for EW wing, and the remainder are here at Simpson Barracks. The longest courses that run include, firstly, in maritime wing at *Cerberus*, a nine-month initial entry training course for the junior sailors.

**Senator PARRY**—And would that continue here?

**Lt Col. Gainsford**—Yes. Similarly, our initial entry training courses for Army's radio and information systems operators run between seven and eight months. It depends on holidays and other things that may interfere with that. And perhaps the longest of the training courses that we run are those for the electronic warfare operators out of Cabarlah up near Toowoomba. They are between nine and 11 months long, again depending on whether it breaks over Christmas, because that will be a logical break in their program. I should point out that we have recently introduced language training as part of the EW operators training continuum, so they do nine months of language training and then the new course will be reduced to six months. So in total they would be 15 months in training for EW operator.

**Senator PARRY**—I presume the language is not English.

**Lt Col. Gainsford**—That is right, Senator.

**Senator PARRY**—So what is the maximum capacity on the base at any one time? What would be a peak?

**Lt Col. Gainsford**—On any given day, the maximum capacity we look at is about 650 school wide. Here at the base it is a bed limit, but the capacity is 650 within the School of Signals on any given day. That seems to be our peak.

**Senator PARRY**—Would all of those be residential or would some be day travellers?

**Lt Col. Gainsford**—Some would be day travellers if they live in local areas and are in advanced elements of training and therefore have families or live off base.

**Senator PARRY**—And how often would that capacity be reached? Can you give me a percentage approximation on an annual basis?

**Brig. Grice**—One point that I think needs to be made is that the School of Signals is not the only training establishment on this base. There is the Defence Force School of Music and the Land Warfare Centre. During the development of the project one of things that was looked at was the occupancy rate base-wide. Our project management and design consultants looked graphically at the peaks and troughs throughout the year. That information can be made available if you would like to look in more detail at how often the maximum number of beds on base are full. The other point to note is that with 798 beds on base it is only achieved when there are two, three or four people in a room so you would be looking at full occupancy. In individual numbers of rooms, it is more like 450.

**Senator PARRY**—With \$101 million of expenditure we want to make sure that this is not just for two nights a year, so there has to be a legitimate need for the occupancy at that level.

**Brig. Grice**—I might pass to Ms Meszaros to give a bit more information on that.

**Ms Meszaros**—We looked at all the courses across the whole of Simpson Barracks with the maritime wing co-located. From that analysis we looked at the peak demand over the year and then went for 80 per cent of that peak demand, with the idea that at times there may be more doubling up or four to a room to accommodate the peaks.

**Senator PARRY**—Is that 80 per cent of bed numbers or 80 per cent of rooms?

**Ms Meszaros**—Eighty per cent of bed numbers. At the moment it is 798. We can increase that by putting four to a room in certain blocks.

**Senator PARRY**—Moving on to capacity, Major Walsh indicated on the tour this morning that the lecture theatre can accommodate 80 to 100. Is that sufficient? What does the new lecture theatre hold? I think he indicated that was going to be a similar size.

**Ms Meszaros**—When we did the briefing we again did a lot of questioning of the courses and looked at the different teaching styles and broke it up into pedagogies. From that we determined the sizes for classrooms, lecture theatres and syndicate rooms based on each individual course that they are delivering. It is marginally larger, but we are actually providing additional lecture theatres. There is one at the moment; we are providing three in total.

**Senator PARRY**—There is something that was mentioned on the tour this morning that I would like to have on the public record. When we went into one of the lab type classrooms my first reaction, because of the equipment that was being utilised, was to ask, ‘What’s wrong with this?’ Lieutenant Colonel Gainsford, you then gave a fairly good explanation. Would you like to put on the record that explanation about future needs and technology changes?

**Lt Col. Gainsford**—The room we were in was a radio communications base room and I highlighted that the generations of equipment that we see in a school such as this change over time. In that particular example the facility was not designed for the current suite of equipment that we hold, and it is certainly not ready for the more computer based simulator or other advanced technologies that we will see with the Defence Capability Plan over the next five years, so we make best fit of the facilities with those equipments and their associated training requirements. The design of the new building and the proposed refurbishment will give us that flexibility and the design criteria to allow different computer based and other advanced technologies to be more readily applied to this new building and new training continuum.

**Brig. Grice**—I would like to add to that. The other point that was made in that room was about the restrictions of that building, where there is no computer flooring. It is not possible to retrofit that with computer flooring due to the building envelope and the resulting ceiling heights being well below BCA standards, so the redevelopment will move all of those higher technology areas into the new facility. The new facility is entirely fitted with computer flooring and is flexible and adaptable to take any changes in the paradigms that we use over the life of the facilities.

**CHAIR**—Thank you very much. Mr Jenkins, you have some questions.

**Mr JENKINS**—I suppose I first have to make the disclosure that, whilst we are in the electorate of Jagajaga, we are two kilometres from my electorate. I am now on my best behaviour because the representative of the contractor that provided the morning tea is a constituent!

**Mr FORREST**—Don’t tell your frog joke, Harry!

**Mr JENKINS**—Having said that, as a member in the northern suburbs of Melbourne I welcome any addition to what is happening here at Simpson Barracks, Watsonia. But I am a little concerned when we get a letter from a local member such as Greg Hunt, a member of the executive council, who has some queries about that aspect of the relocation of *Cerberus*, and I just have a few questions that follow up the chair’s. You have indicated that the works are likely to finish in 2009, I think.

**Brig. Grice**—Yes.

**Mr JENKINS**—When would the relocation occur? Does that come on straightaway or would there be a delay?

**Brig. Grice**—At present, the plan is for relocation to occur over the Christmas/New Year break 2009-10, subject to Navy being in a position to do that. There has been no change to that decision at this stage. However, Navy do have some personnel issues with the number of people

that they have in that trade stream, and it may be that they have to delay their move by up to year. This is information that was made known to us only in the last couple of days, and the full extent of that is yet to be sorted out and agreed within Defence. Navy have indicated they may have a problem relocating over the Christmas/New Year period 2009-10, but it is still to be worked through.

**Mr JENKINS**—But this is not something that is—and this is my expression—a deal breaker?

**Brig. Grice**—No. Navy are committed to relocating. They have some personnel issues and they have a remediation plan for that trade stream. They will move when they are in a position to do so without the short-term loss of experienced trainers having more of an impact on capability than can be sustained.

**Mr JENKINS**—From some floor plans indicating the use of rooms, clearly Maritime CIS Wing was separated off. It raises a question for me about the degree of integration, because whole parts of the floor plan are painted blue for maritime wing. I am trying to get my head around how that fits in with what you are trying to achieve.

**Brig. Grice**—All of the top-secret and secret training facilities required for maritime wing and the specialist spaces are located in the new building. Some of their administrative officers and staff and areas which do not require those facilities are located in building 62, the refurbished one, along with support wing and development wing and other elements of the school. If you are trying to say that Navy is the poor cousin here, moving into refurbished facilities, I would point out that there are large elements of the school that are remaining in those facilities. Those elements of the school that teach every day in areas for which they need the top-secret and secret facilities are moving into the new building, and in that new building there are training rooms which are purpose-designed for Navy's fit of equipment to come from HMAS *Cerberus*. We would love to give everybody brand new facilities. Once that building is refurbished, it will be fit for purpose and it will be as good as the office that I am in at Brindabella Park.

**Mr JENKINS**—I have a question about some terminology—and again, as you all know, I am off a low base: 'network-centric warfare'. This is a change for the ADF services, is it? And, if there is some disquiet between the arms of the services, is it because we are still moving towards, in communications especially, this more integrated approach?

**Brig. Grice**—It is not the way we are communicating. I think if there is any concern from Navy about relocating here it is, as I mentioned earlier, about Navy people moving from a Navy facility, and the naval environment that they joined up to live and work under, to a joint environment on this base. It is not to do with the communication systems that we use; it is more to do with that element of tradition. Mark, you may want to speak more about network-centric warfare and that type of thing.

**Lt Col. Gainsford**—One of the things we are realising with this network centric warfare change is that, to make it work, you have to have an underlying network that is communications based. Each of the services is largely exploring and using the same technologies and applying it perhaps slightly differently. But we are looking to build that network so that it is more robust, more available. It then enables the war fighters to use it to their best advantage. That is the premise of network centric warfare. We think, by getting a common area of training and a

common understanding of how those things interoperate, that you give yourself a better foot in terms of delivering a network centric capability.

**Mr JENKINS**—Having championed this site, it is in the middle of suburbia. Is there anything about the environs that makes it difficult to operate a school which has so much to do with electromagnetic waves and things like that?

**Lt Col. Gainsford**—Nothing under the current way in which we train. Some of the antennas that you see around the area are no longer in service. By and large, we have gone to more directional capabilities that do not impact on the local electromagnetic spectrum for the community. Anything that would be proposed in the future would obviously have to look at the impact as a new or a future technology. That is part of its introduction into the service process.

**Mr JENKINS**—But those matters have been taken into account in selecting this site over, say, a greenfield site?

**Lt Col. Gainsford**—Yes.

**Mr FORREST**—The secretary advises me that the question I asked about this project being done independently cannot be used because it is recorded as part of the confidential briefing. So could I ask you to consider writing that very excellent answer you gave, which satisfied me, to the committee so that we can refer to it rather than take up time now?

**Brig. Grice**—Except where it refers to dollar figures—

**Mr FORREST**—Yes.

**Brig. Grice**—I would be happy for it to be taken out of the confidential briefing and put into the *Hansard* for the public record. Perhaps if Hansard does that I could review it when the *Hansard* is available and make sure that it is suitable. I am quite happy for that.

**CHAIR**—It is proposed that that part of the confidential briefing be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

*That part of the confidential briefing read as follows—*

**Brig. Grice**—You will recall that phase 1 of Single LEAP was to cover Defence's three highest priorities, as per ministerial direction, which were Enoggera, Amberley and Holsworthy. The funds available for stage 1 of Single LEAP were sufficient to cover those requirements. The Defence Force School of Signals was one of the requirements for LIA5 but was not of those three highest priorities for inclusion of phase 1 of Single LEAP.

You will also be aware that the department is currently preparing a proposal, a project, for phase 2 of Single LEAP, with deliveries of rooms—if that project is approved—likely to occur in the 2011-12 time line. The department took the view that this facility will be constructed and in operation at the end of 2009 and that there would be a disconnect between the working accommodation availability and the living-in accommodation availability. So the department made the decision to elevate the priority of these rooms for this project and deliver it in the traditional methodology, together with the working accommodation, so that when the new working accommodation is available and new students arrive, there is also

new living-in accommodation available. It also gives us some synergies in developing and delivering the living-in accommodation at the same time as we are developing and delivering the working accommodation for this project. That is the reason it is not part of Single LEAP. It is purely a timing issue.

**Mr FORREST**—My only anxiety, as someone on a committee trying to maximise value from taxpayers' dollars, is why so many buildings on this site, as we have seen during the inspection, have trouble with the roof, even this room. Look at the water stains up there. And there was the damage we saw in building 160 and so forth. What is going on? Is there no proper attention to maintenance, is there a shonky building contract or are there too many box gutters? What is it?

**Mr JENKINS**—If there were not so many engineers on the other side, John, I would suggest it was engineers.

**Brig. Grice**—I think this facility we are in now was built in the fifties, so this precinct is 40 to 50 years old. The other facilities that you saw on your way round are also of the order of 25 to 35 years old. It is no secret that up until the early 2000s—on a 2004-05 dollar basis—there was more money spent in the seventies, eighties and nineties on facilities operation and risk management works and maintenance than has been spent since then. Our fac ops budget is of the order of \$400 million a year, and that is to maintain a portfolio of some 350 properties worth about \$17 billion replacement value at an average of 1.96 per cent of the replacement value of the estate. Industry on average uses about 2.4 per cent value of the estate for maintenance purposes.

Funding is tight. We are doing the best we can with the funds we have available for an estate that is continuing to age. One of the reasons we are undertaking the force disposition review is to look at the concept of bigger bases to minimise the footprint across the country and to give us economies of scale so that we can better use the funds available to us to maintain the estate. We continue to fight for funding, and these are just the realities of life in the 21st century.

**Mr FORREST**—Okay. We have been shown a number of buildings that will be decommissioned—building 160, in particular. Decommissioned buildings just deteriorate faster. I note that the master plan does not give consideration to the future of that building, but it is an asset, a taxpayer value asset. I am wondering whether you could provide me with some advice on the likely future of that building. There was another one, too, the number of which I cannot recall, that was going to be decommissioned. There were two buildings, weren't there?

**Brig. Grice**—The other buildings that would be decommissioned were the prefabricated living-in accommodation, which would be decommissioned at the end.

**Mr FORREST**—Yes, I understand that one—but building 160?

**Brig. Grice**—Building 160 is—

**Mr FORREST**—I understand that it is clapped. I understand the need for that.

**Brig. Grice**—To refurbish that building for the purposes of this project would be more expensive than building new or refurbishing what—

**Mr FORREST**—That is not the question I am asking; you have convinced me on that. But it is still an asset, and I am wondering what you might be toying with using it for.

**Brig. Grice**—No decision has been made at this stage. Once the new facilities have been built, people will relocate out of it and it will be closed. We are in this situation on some other bases around the country as well, where we have vacated facilities and they have not been demolished yet. Decisions are yet to be made as to whether they will be demolished or whether there is a use, possibly, as a method-of-entry training house or something like that, where it would still have some value for training but not as office or working accommodation. Once we have vacated it, it will be vacant.

One other thing that should be considered is that Defence is undertaking at the moment a regional accommodation review within the Melbourne area, which should be finished towards the end of this year. That will look at other Defence properties in Melbourne and at the uses for buildings like building 160 and other buildings on other bases that are surplus. I expect that, as a result of that review, there will be decisions as to whether it is considered for reuse or for demolition.

**Mr JENKINS**—It is a shocker. Use it for target practice!

**Brig. Grice**—Can I quote you on that, please?

**Mr JENKINS**—Yes. I am from the opposition. I am here to help you!

**Mr FORREST**—The only other question I have is about the decommissioning of the fuel-dispensing facility. My experience is—and there is a lot of it happening around Australia now with the abolition of the sites act—that there are big bucks in decommissioning fuel stations, and I mean big time, because it is not just a matter of removing the tanks; it is the soil surrounding it and then finding a place where you can dispose of it, because it is prohibited from going to landfill. So, without reference to the dollars, I wonder if you could satisfy me as to the hydrocarbon examinations being done. Maybe, if there is a copy of that, you might provide it to the committee at a later date.

**Brig. Grice**—Our designers conducted a phase 2 contamination assessment of the base. I have a copy of that here which I can provide you. But one of the items of the scope of work was an intrusive investigation of the area refuelling station and the adjacent gravel car park located within the proposed SSDA. This is the text of the report. One of the recommendations of this report is:

Based on the findings of the Phase 2 CA—

contamination assessment—

it is considered that no further investigation of the Area Refuelling Station or car park area is required.

It is understood that Defence intend to decommission the Area Refuelling Station before the construction of a new facility elsewhere—

or use of commercial facilities. It continues:

It is considered good practice to remove disused USTs—

underground storage tanks—

and this should be carried out by a suitably qualified contractor. A validation soil sampling program of the excavation should be conducted during the tank pull process in accordance with the Victorian EPA-accepted guidelines. This could be followed up by additional groundwater investigation if deemed necessary.

So I can pass you a copy of that report.

**Mr FORREST**—The sort of thing I would like to see is that somebody has drilled a hole and taken hydrocarbon measurements. The surprise will be, once you start digging, just how extensive the contamination is and you will be up for big bucks. You are telling me that other than in the cost contingency you have not allowed for it.

**Brig. Grice**—I am saying: we have dug those holes. This is the result of intrusive investigations. There was no evidence of hydrocarbons found; however, we will use ecolicensed contractors to remove the tanks. We will have specialists on site during the removal process. We will monitor it and we expect not to find anything as a result of this survey, but if we do we will have to deal with it in the correct manner.

**Mr FORREST**—By using the contingency. In fact you will find that no-one will even tender on a price basis unless you have a cost-plus contract arrangement. I have seen a fair bit of this being done.

**Brig. Grice**—Perhaps I will get Andrew from our design team to provide a bit more information about the local market and contractors who are available to do this type of work.

**Mr Lonie**—We undertake a program of decommissioning sites around Australia for an oil distributor and reseller. As part of that program, we undertake the necessary phase 1 and then subsequent phase 2 physical investigations of those sites to be able to identify the physical presence of any hydrocarbons. At a number of those sites there is evidence of hydrocarbon leakage, and the remediation process on some of those sites can be quite extensive. As part of the work undertaken here, from an investigative viewpoint, a number of bore holes were drilled and monitoring of those holes was undertaken over a period of time to be able to assess movement of groundwater as well as the composition, if you like, of the various strata in those holes. From those investigations, it appears that there has been no leakage of hydrocarbons into surrounding soils.

Part of the EPA approved process in the removal of underground tanks is to do sample testing, if you like, of the ground under the tank because it is not always possible to be able to test under that ground when the tank is still in position. There are a number of contractors in the Victorian market through whom we obtain, on behalf of other clients, competitive quotes for the removal of those tanks and part of our commission includes the monitoring of that removal and the sampling of the soil underneath. Again, this is to confirm the findings of the phase 2 investigations.

**Mr FORREST**—To paraphrase what you say: there would be a contract issued for further investigation to provide information to satisfy a contestable competitive bid for rehabilitation.

**Mr Lonie**—As part of the actual removal of the tank, the contractor is required to undertake testing and to be able to demonstrate that even during the removal process fuel has not leaked from those tanks. Clearance certificates are provided in accordance with EPA regulations to be able to confirm that the work has been undertaken properly.

**Mr FORREST**—I am satisfied that at the end of the project the EPA regulations will be satisfied but what I have seen from the part of the world where I live is: it is costing big bucks to rehabilitate some of these sites. The age of this service station is what?

**Brig. Grice**—It was put in in 1996, so it is only 10 years old. It is a little younger than some of the facilities where you are. I think the other point that needs to be made is that our consultants are experts in the industry. They have done this business elsewhere in the state of Victoria. They have investigated many of these sites, and this site does not have the indications that it is one of these troublesome sites with an expensive remediation cost.

**Mr FORREST**—Can you provide the committee with information you made reference to?

**Brig. Grice**—Yes.

**CHAIR**—We would be very happy to accept that information. I want to raise the issue of energy ratings. As we all know, the Commonwealth government is committed to ecologically sustainable developments, and this committee is always keen to ensure that departments and agencies are meeting the highest achievable standards of energy conservation. In their return letter, the Australian Greenhouse Office have made some suggestions. I understand that in this case Defence is dealing with some old buildings and clearly it is difficult sometimes to meet the highest energy rating, although retrofitting is getting pretty good in that respect. There should be no excuse for not ensuring that all new buildings meet the highest possible standards. That is, of course, contained in the letter from the Department of the Environment and Heritage and the Australian Greenhouse Office.

The department and the AGO say they are satisfied that a 4.5 star rating can be achieved. They have also given it some further consideration and highly recommend that lighting be no more than seven to 10 watts per square metre with switching every 250 square metres. They also require an update from Defence on the progress of works, especially the commissioning of energy efficiency measures and the likely issues arising from the significant IT loads referred to in part 3.3.3.3 of the concept plan. Can you assure the committee that you will take on board the recommendations of AGO and make sure the highest possible energy ratings are achieved and that you will give consideration to the wattage of lighting and the IT matters?

**Brig. Grice**—Yes. In our response to you on 16 January this year we undertook that we would comply with all of those requirements. We will involve them during the commissioning of the building as well. I can go on for hours about ESD and the water-saving measures we are looking to put in, ranging from waterless urinals to rainwater tanks on all of the new buildings to offset approximately 33 per cent of the toilet, ablution and other requirements.

**CHAIR**—We do not require you to go on but we do require an assurance that the higher standards will be met and that the recommendations of the AGO will be agreed to. Hopefully, this will not add significantly to the cost of the project.

**Brig. Grice**—No, it has no additional cost to us because we are already doing those things. We will speak to them during the commissioning process. As you know, the Australian government has some very good guidelines on ecologically sustainable development. Defence is a leader in this area. The Head Infrastructure is a foundation member of ABGR and the Green Building Council of Australia. We believe that Defence is at the forefront in this area. It is in our interests to produce energy efficient buildings to minimise our expense of operation of facilities as well as provide for our children's and grandchildren's future. We will comply with the requirements of the AGO.

**CHAIR**—Thank you. I was going to ask the question about water conservation as well, but you have already answered it. We have very much appreciated the very detailed brief that you have given us. Usually, there are lots of questions on some of the other environmental issues, but you have given us a pretty detailed brief in that regard.

**Mr FORREST**—I want to clarify the status of this report. It is great that I have the committee so conditioned that they always ask the water questions now. This report that you have provided us is referred to as the phase 2 contamination assessment. It is dated 14 February 2007, but it is a draft. It is only a day or so old, but when will it have final report status?

**Mr Lonie**—I printed it off on 14 February, which was yesterday. It was issued slightly earlier than that. We are looking at closing that out in the next fortnight.

**Mr FORREST**—That is good timing. Could you forward a copy of the final report to the committee?

**Brig. Grice**—Certainly.

**Mr JENKINS**—On page 16 at paragraph 53 it does not mention the water harvesting.

**Brig. Grice**—No, it does not.

**Mr JENKINS**—There is definitely water harvesting?

**Brig. Grice**—Yes, there is.

**Mr JENKINS**—Is that for all the new buildings?

**Brig. Grice**—Correct. The buildings—

**Mr JENKINS**—That will do; I am happy. I have a quick question about the master plan for the whole of Simpson Barracks and where this fits in. I do not know whether or not I misread one of the diagrams in the other room that might have indicated where the LIA that might be under LEAP goes that is not associated with this project.

**Brig. Grice**—The last master plan for Simpson Barracks was developed in 1999, prior to that which we are doing now. During the development of this proposal, the master plan was revisited, and it was recognised that the master plan stood the test of time and that this proposal fits in with the overall master plan. In addition we, in consultation with Single LEAP, looked at other areas within the living-in precinct that could be available for future development. Expansion space has been identified. In the fullness of time over the coming months as the Single LEAP team continues with the development of their proposal and their project, there will be a siting board conducted for any development at this place which will be attended by all of the stakeholders from the region. That will include people from my project and all the stakeholders on the base and the Single LEAP project team. They will coordinate in detail any proposals that they might have for Watsonia. Eventually, that site selection board will work its way up within DSG to the technical authority for approval. I am that technical authority.

**Mr FORREST**—Does that water harvesting plan include grey water reuse and flushing of WCs with rainwater?

**Brig. Grice**—It includes flushing of WCs with rainwater. It does not use grey water harvesting. Andrew might talk a bit about that. Another initiative which is ongoing on the base is that stormwater harvesting is about to be undertaken. A stormwater retention dam has been built. If not this financial year, then next financial year the missing bits will be put in place so that stormwater can be retained and used for the watering of football fields and such. We should also add that at the moment backwash from the swimming pool is used to water some of the grounds. It is also notable that in 2005 the local water authority gave an award to Simpson Barracks for its water efficiency.

**Mr FORREST**—Good stuff. What is the name of the award? What did you do to get it?

**Brig. Grice**—The 2005 Pathways to Sustainability award.

**CHAIR**—Before closing, I would like to thank the witnesses who have appeared before the committee today and for the assistance that we received in arranging hearings and inspections here. Should the committee have any supplementary questions, the secretariat will be in contact.

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

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.

**Committee adjourned at 11.50am**