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The Parliament of the Commonwealth of Australia

# HMAS Creswell Redevelopment, Jervis Bay Territory

Parliamentary Standing Committee on Public Works

March 2008  
Canberra

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# Membership of the Committee

## Committee of the 42<sup>nd</sup> Parliament

Chair            Mr Mark Butler MP

Deputy Chair   Senator the Hon Judith Troeth

Members	Mr Nick Champion MP	Senator Mark Bishop
	Mr John Forrest MP	Senator John Forshaw
	Mr Damian Hale MP	
	Hon Peter Lindsay MP	
	Hon Peter Slipper MP	

### Committee Secretariat

Secretary                    James Catchpole

Inquiry Secretary        Siobhán Leyne

Senior Research Officer   Mark Rodrigues

Administrative Officer    Gaye Milner

## **Committee of the 41<sup>st</sup> Parliament**

Chair            Hon Judi Moylan MP

Deputy Chair   Mr Brendan O'Connor MP

Members        Mr John Forrest MP

Senator Annette Hurley

Mr Harry Jenkins MP

Senator Stephen Parry

Mr Bernie Ripoll MP

Senator the Hon Judith Troeth

Mr Barry Wakelin MP

### **Committee Secretariat**

Secretary                    Stephen Boyd

Inquiry Secretary         John Fuhrman

Senior Research Officer   Raymond Knight

Research Officer         Penny Wijnberg

Administrative Officers    Peter Ratas

Jessica Butler



## List of acronyms

ADF	Australian Defence Force
BCA	Building Code of Australia
BEMS	Base Environmental Management System
CEMP	Construction Environment Management Plan
DEH	Department of Environment and Heritage
DOTARS	Department of Transport and Regional Services
ECC	Environmental Clearance Certificate
EMS	Environmental Management System
EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
ESD	Ecologically Sustainable Design
LIA	Living-in Accommodation
PWC	Public Works Committee
RAN	Royal Australian Navy
RANSSSS	Royal Australian Navy School of Survivability and Ship Safety





# List of recommendations

## Issues and Conclusions

### Recommendation 1

The Committee recommends that Defence provide further information to the Department of Transport and Regional Services regarding concerns as to the provision of water for the proposed swimming pool.

### Recommendation 2

The Committee recommends that Defence inform it of potential energy savings flowing from the initiatives it proposes to incorporate into the redevelopment of HMAS CRESWELL, and the outcomes of consultations with Integral Energy regarding the supply of power to HMAS CRESWELL, with particular regard to any additional infrastructure that might be required.

### Recommendation 3

In order to resolve the concerns of the ACT government regarding the use of recycled water, the Committee recommends that Defence continues to consult in detail with the Government of the ACT and ensure that the department complies with ACT legislation.

### Recommendation 4

In the interests of ensuring water-sensitive urban design Defence give consideration to water capture measures to service living-in accommodation. The Committee recommends that water capture facilities be installed as part of the development in preference to retrofitting in the future.

**Recommendation 5**

So as to meet ACT requirements relating to erosion control sediment run off and other discharge potentially likely to occur during the project works, the Committee recommends that Defence obtain a copy of the ACT Environment Protection Authority's 1998 guidelines 'Erosion and Sediment Control during land Development' and work toward compliance with these obligations.

**Recommendation 6**

Having regard to the concerns of the ACT Department of Territory and Services regarding the management and disposal of hazardous waste, the Committee recommend that Defence undertake an appropriate hazardous materials survey of proposed works at HMAS CRESWELL, and furnish the ACT Department of Territory and Services with a plan for the management and disposal of any hazardous waster identified.

**Recommendation 7**

The Committee recommends that HMAS CRESWELL Redevelopment proceed at an estimated cost of \$83.6 million.

## Introduction

- 1.1 The HMAS Creswell redevelopment, Jervis Bay Territory was referred to the Public Works Committee (PWC) of the 41<sup>st</sup> Parliament on 31 May 2007. The Committee had completed the inquiry process and adopted its report but did not table the report prior to the dissolution of the Parliament.<sup>1</sup> The referral therefore lapsed.
- 1.2 The HMAS Creswell redevelopment, Jervis Bay Territory was referred to the PWC of the 42<sup>nd</sup> Parliament on 13 March 2008. This Committee decided not to repeat the inquiry process as it was advised by the Department of Defence that there had been no significant changes to the works since the original referral. Evidence taken on this inquiry is available on the Committee's website.<sup>2</sup>
- 1.3 This Committee has resolved to adopt the report as adopted by the PWC of the 41<sup>st</sup> Parliament without amendment. The following chapters are the report as adopted by the PWC of the 41<sup>st</sup> Parliament. Therefore any references to 'the Committee' in Chapters 2 to 4 refer to the PWC of the 41<sup>st</sup> Parliament.
- 1.4 The Committee thanks the former Chair, the Hon Judi Moylan MP and the members of the PWC of the 41<sup>st</sup> Parliament for their time and expertise in conducting the inquiry.

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1 In accordance with s.7 (a) of the Public Works Committee Act 1969 (the PWC Act), members of the Parliamentary Standing Committee on Public Works of the 41<sup>st</sup> Parliament ceased to hold membership of the Committee on Wednesday 17 October 2007 when the Parliament dissolved for the general election held on Saturday 24 November 2007.

2 <[www.aph.gov.au/pwc](http://www.aph.gov.au/pwc)>



## Introduction – Report of the Public Works Committee of the 41<sup>st</sup> Parliament

### Referral of Work

- 2.1 On 31 May 2007 the HMAS Creswell redevelopment, Jervis Bay Territory, was referred to the Public Works Committee for consideration and report to the Parliament in accordance with the provisions of the *Public Works Committee Act 1969* (the Act)<sup>1</sup>. The proponent agency for this work is the Department of Defence.
- 2.2 The Hon Peter Lindsay MP, Parliamentary Secretary to the Minister for Defence, advised the house that the estimated out-turn cost of the proposal is \$83.6 million excluding GST. Subject to Parliamentary approval, Defence plan to commence work in early 2008 with completion planned for mid-2011.<sup>2</sup>

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1 Extract from the *Votes and Proceedings of the House of Representatives*, No. 175, 31 May 2007.

2 See House Hansard for 31 May 2007.

## Background

### HMAS Creswell

- 2.3 The formation of the Royal Australian Navy (RAN) in 1911, led to several sites being considered to determine a location for a Naval College to train its officers. In 1911 Jervis Bay was selected as a suitable site for the College, and construction began at Captains Point, Jervis Bay in 1913 with construction completed in early 1915. The first intake of students at Jervis Bay commenced in January 1915, with training continuing through the First World War.
- 2.4 Changes in Defence strategy at the end of the war led to a reduced requirement for naval officer training that led to the relocation of the College to Flinders Naval Depot in Victoria. By 1937, most of the buildings at Jervis Bay were leased to private individuals and companies and the site was developed as a tourist town. The return of the RAN College to Jervis Bay was the culmination of a successful campaign beginning in 1950, and the College was re-opened and commissioned as HMAS Creswell in February 1958.
- 2.5 HMAS Creswell as the site of the RAN College provides the RAN with basic, leadership, management and personal development training for Naval officers. As with other training establishments of the Australian Defence Force (ADF), HMAS Creswell provides a range of facilities in support of the training program including living in and classroom accommodation. In addition the base also supports naval activities conducted in the East Australia Exercise Area.
- 2.6 The Royal Australian Navy School of Survivability and Ship Safety (RANSSSS) provides training to equip sea-going RAN personnel with combat survival skills as well as the bulk of combat survival training to Fleet Units home ported in Sydney, and the majority of instructor and advanced combat survival training courses.
- 2.7 HMAS Creswell also provides and support facilities for RAN, Royal Australian Air Force (RAAF) and Army training courses and operations.<sup>3</sup>

### Location

- 2.8 The location of the proposed works is within the existing base boundaries of HMAS Creswell and the Jervis Bay Range Facility. The RANSSSS is
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3 Submission No. 1, paragraphs 4 - 8.

located at the Jervis Bay Range Facility approximately 5km south of HMAS Creswell. Both sites are located in the south-western corner of Jervis Bay, approximately 180km south of Sydney.<sup>4</sup>

## Inquiry Process

- 2.9 The Committee is required by the Act to consider public works over \$15 million and report to Parliament 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.<sup>5</sup>
- 2.10 The Committee called for submissions by advertising the inquiry in the *Illawarra Mercury* on Saturday, 9 June 2007. The Committee also sought submissions from relevant government agencies, local government, private organisations and individuals, who may be materially affected by or have an interest in the proposed work. The Committee subsequently placed submissions and other information relating to the inquiry on its web site in order to encourage further public participation.

## Inspection and Hearing

- 2.11 On Friday 14 September 2007, the Committee inspected the site and environs of the proposed works. A confidential briefing from officers of the Department of Defence and a public hearing were held at HMAS Creswell, Jervis Bay Territory, later that day.<sup>6</sup>

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4 *ibid.*, paragraph 31.

5 *Public Works Committee Act 1969*, Part III, Section 18 (8), Section 17.

6 See Appendix D for the official Hansard transcript of the evidence taken by the Committee at the public hearing on Friday, 14 September 2007 at HMAS Creswell, Jervis Bay Territory.



## The Proposed Works

### Purpose

3.1 The purpose of the project is as follows:

- to upgrade, modernise and construct new training facilities;
- to upgrade the condition and capacity of engineering services and infrastructure;
- to address current shortfalls in instructional and accommodation facilities capacity to reduce the impact to capability;
- to upgrade current facilities and infrastructure to meet current building codes and standards;
- to enhance recruitment, retention and reputation of the RAN;
- to reduce the maintenance liability arising from an aged Defence estate; and
- to address Defence's environmental and heritage responsibilities.<sup>1</sup>

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<sup>1</sup> Submission No. 1, paragraph 9.

## Need

- 3.2 HMAS Creswell is the primary initial and ongoing training facility for officers of the RAN, and provides ongoing training for senior sailors. The current facilities at HMAS Creswell do not conform to current standards, which adversely affects training efficiency and has a negative effect on the recruitment and retention of RAN personnel. Improved standards and an increased number of living in accommodation rooms is required to allow the RAN to meet training requirements.
- 3.3 Changes to RAN officer initial entry training requirements in previous years has seen fluctuating demands on facilities in HMAS Creswell. This uncertainty has resulted in minimal investment in facilities and infrastructure on the Base over the past 20 years and a consequential deterioration of the overall condition of the Base.
- 3.4 More recently there has been a turnaround in the demand on facilities at HMAS Creswell marked by an increase in the numbers of trainees, in the vicinity of 900 annually, that needs to be picked up through the provision of upgraded facilities.
- 3.5 A recent review of Navy training functions and establishments has confirmed the requirement for significant investment at HMAS Creswell so as to alleviate the current constraints on training imposed through inadequate facilities and infrastructure. The proposed redevelopment will enable HMAS Creswell to continue to make an important contribution to Navy capability.<sup>2</sup>

## Options Considered

- 3.6 During the development of the project scope, a number of design options were considered to meet the project requirements within the available funding. The proposed scope balances the training requirements, engineering services capacity and condition, and capacity of living in accommodation requirements at HMAS Creswell.<sup>3</sup>

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2 *ibid.*, paragraphs 10 – 12.

3 *ibid.*, paragraph 19.

## Scope

- 3.7 The project scope of works has prioritised into five project elements that reflect the importance of facilities and infrastructure upgrade requirements to support RAN training at HMAS Creswell.
- 3.8 These are summarised as follows:
- **Project Element 1** - modernisation of the RANSSSS training units, including a new two-storey building, upgrades to a gas fired fighting unit, a leak stop repair training unit; and a diesel fire-fighting unit;
  - **Project Element 2** - upgrade of new and existing engineering services and infrastructure, roads and car parking, including works on electrical, communications, security, sewer, fire and potable water supply, gas, irrigation and stormwater. Road works, car parking and associated street and pedestrian lighting works will also be delivered;
  - **Project Element 3** - refurbishment of existing and provision of new living in accommodation and upgrade of messing facilities including medium and minor refurbishments of existing trainee and officer accommodation buildings, as well as the provision of a new officer accommodation building to provide acceptable living in accommodation standards for Defence personnel;
  - **Project Element 4** - refurbishment of existing and provision of new working accommodation and instructional facilities at the RAN College including the construction of a multi-functional training facility on the site of the previously demolished Geelong House, and the refurbishment of the historic and presently dilapidated and unusable Cerberus House for working accommodation;
  - **Project Element 5** - new physical fitness and training facilities, including the provision of a 25 metre indoor swimming pool, weights training room, combined training room and cardio theatre, multi-purpose hall, equipment store, staff working accommodation and change facilities;
  - **Project Element 6** - upgrade of officer cadet recreational facilities;
  - **Project Element 7** - waterfront environmental works and new classroom and amenity facilities;
  - **Project Element 8** - armoury upgrade; and
  - **Project Element 9** - demolition and miscellaneous minor works.<sup>4</sup>

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4 *ibid.*, paragraphs 17 and 33 - 41.

## Project Delivery

3.9 Defence has engaged a Managing Contractor to assist with the development and delivery phases of the project. This approach provides a strong on-site management presence that delivers the coordination of all elements of this type of project, and ensures that risks associated with construction can be addressed as they arise. It has proved to be the most appropriate contracting strategy for a complex redevelopment on a training base. In this case, the base training activities and construction activities will be properly synchronised to ensure the quickest possible completion, while continuing to meet the training demands in HMAS Creswell.<sup>5</sup>

## Cost

3.10 The estimated out-turn cost of the works is \$83.6 million. This figure includes:

- design;
- construction;
- management;
- furniture;
- fittings and equipment; and
- escalation and contingency.<sup>6</sup>

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5 *ibid.*, paragraph 83.

6 *ibid.*, paragraph 81.

## Issues and Conclusions

### **Amendment to the Statement of Evidence**

- 4.1 At the commencement of the Public Hearing, Defence proposed the following amendments to its Statement of Evidence:

At paragraph 17 (c): delete the words 'and upgrade of messing facilities'.

Amend heading to paragraph 37 by deleting the words: 'and Mess Upgrade'.

Amend the opening sentences to paragraph 68 to read, 'Efficient water use is a key aspect of the design. Key water saving measures to be investigated will include...'<sup>1</sup>

### **Background**

- 4.2 According to its opening statement to the Committee, Defence describes the proposed works to be undertaken at HMAS CRESWELL as addressing concerns over the deteriorating Defence estate that has served as a

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1 Official Transcript of Evidence, page 2.

disincentive to Naval recruitment and retention, as well as having an effect on training.

- 4.3 The nature of the proposed works is as wide in scope as it is in diversity. According to Defence the works will encompass the modernisation of the Royal Australian Navy School of Survivability and Ship Safety (RANSSSS) training units, infrastructure and amenities facilities; the provision of new and the upgrade of existing engineering services and infrastructure; the refurbishment of existing living-in accommodation and the provision of new living-in accommodation; the refurbishment of existing and the provision of new working accommodation and instructional facilities; the provision of new physical fitness and training facilities; the upgrade of cadet recreational facilities; waterfront environmental works and a new classroom and amenities facility, and an upgrade to the armoury.<sup>2</sup>
- 4.4 The Committee was pleased to hear that unlike some other projects that had been referred to it by Defence, the extent of the adaptive reuse and refurbishment of existing facilities and infrastructure was a feature of the proposed redevelopment.
- 4.5 In its Statement of Evidence, Defence suggests that the use of HMAS CRESWELL has fluctuated over time as a consequence of the priorities given to the training of Navy personnel by the department. Defence states that:

With the end of the war [World War I] came changes in Defence strategy and the requirement for naval officer training was reduced. The College was affected and in 1930, it was relocated to Flinders Naval Depot in Victoria. By 1937, most of the buildings at Jervis Bay were leased to private individuals and companies and the site was developed as a tourist town. The return of the RAN College to Jervis Bay was the culmination of a successful campaign beginning in 1950. The College was re-opened and commissioned as HMAS CRESWELL in February 1958.<sup>3</sup>

- 4.6 However, the use of facilities at HMAS CRESWELL has been variable rather than serving as the focus of training of naval personnel. In its submission to the Inquiry, the department informed the Committee that:

Changes to RAN officer initial entry training arrangements in recent times has seen fluctuating demands on facilities in HMAS CRESWELL. This uncertainty has resulted in minimal investment in facilities and infrastructure on the Base over the past 20 years and a consequential deterioration of the [its] overall condition.

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2 loc. cit.

3 Submission 1, paragraph 5.

The demand on facilities in HMAS CRESWELL to support the training capability is on the increase, with an approximate annual throughput of 900 trainees.<sup>4</sup>

## The Future of HMAS CRESWELL

- 4.7 Against the background of uncertainties attached to the base as the principal training facility for Navy personnel, the Committee sought assurances from Defence that as a result of the base being ‘mothballed to some extent over 20 years’ that allowed the facilities to deteriorate and the now significant proposed investment in HMAS CRESWELL, the facility would be fully utilised over the lifetime of the proposed redevelopment.<sup>5</sup>
- 4.8 According to the Navy witness, the review of Naval training conducted in 2005, and approved by the Minister in 2006, confirmed HMAS CRESWELL as the RAN College for initial entry officers, and that the base would continue to support all of the current training courses for the Navy and visiting Army and Air Force units over the long term, which would translate to 30 years or the life of the works covered by the current project. In addition, the base would continue to operate as the key support facility for the Australian Defence Forces (ADF) and associated activities in the Jervis Bay and the east Australian exercise area.<sup>6</sup>
- 4.9 In adding to this, the Defence witness, referring to the proposed works associated with the RANSSSS informed the Committee that personnel from all arms of the ADF that were deployed to Navy ships were required to undertake survival and safety training. HMAS CRESWELL was one of three sites capable of providing survival and safety training, the others being located in Victoria and Western Australia.<sup>7</sup>
- 4.10 Drawing on the figures quoted in the department’s Statement of evidence that the approximate throughput of trainees was in the vicinity of 900 annually and having regard to the Commonwealth’s investment in the project, the Committee queried the basis of this estimate.
- 4.11 Defence confirmed that the numbers passing through the Naval College was in the order of 900 annually. This figure would increase by around 2,500 personnel passing through the RANSSSS annually. In terms of the

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4 *ibid.*, paragraph 11.

5 Transcript of Evidence, page 3.

6 *loc. cit.*

7 Transcript of Evidence, page 4.

occupancy of living-in accommodation this would translate to an average of 280 personnel living on base at any one time.

- 4.12 The Committee was subsequently informed by Defence that the average of 280 trainees per day is based on target courses for 2008 taken over 50 weeks of the year. This will achieve an annual occupancy rate of living-in accommodation of 75 percent, allowing for some residual capacity to accommodate courses organised at short notice or for operational reasons.<sup>8</sup>

## Project Delivery

- 4.13 The Committee sought details from Defence as to the methodology used to deliver the project, including when expressions of interest were sought, how many companies responded and the current position regarding the selection of the final tenderer. The Committee was also interested in whether the panel of selected tenderers mentioned during a previous Inquiry<sup>9</sup> had participated in the tender process.
- 4.14 The department explained that the HMAS CRESWELL project would be delivered under a managing contractor delivery method. This would be a two-stage process that would provide the department with the flexibility to develop scope and design options that best meet the needs of both Defence and Navy.<sup>10</sup>
- 4.15 The Project Manager/Contract Administrator was engaged by way of a 'request for proposal' that Defence confirmed had been sent to the members of the Defence Infrastructure Panel that currently comprises 10 companies. Responses were received from eight of the 10 panellists from which one was selected based on a technical and value for money basis.<sup>11</sup>
- 4.16 A Managing Contractor was selected through an open tender process in response to advertisements in the press. The preferred tenderer was selected on a similar basis to that employed in the selection of the Project Manager/Contract Administrator. The Managing Contractor will be responsible on a two-stage basis for the project development phase, including the engagement of design contractors followed by the project delivery phase including the letting of sub-contracts for construction on

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8 Letter to the Chair from Brigadier William Grice, Director General Infrastructure Asset Development, 3 October 2007.

9 Proposed Land Engineering Agency Test Services Relocation.

10 *ibid.*, page 4.

11 *loc. cit.*

behalf of Defence, the supervision and management of construction, and the commissioning and hand-over of the completed facilities.<sup>12</sup>

## Options

- 4.17 The Committee made reference to the design options canvassed by Defence, and sought further details of the options considered in developing the proposal for HMAS CRESWELL.
- 4.18 In responding Defence informed the Committee that initially the department had looked at the demolition of some 300 living-in accommodation units, but concluded that this would exceed available funding. It was then decided that the option of adaptive reuse of a number of facilities and the construction of new facilities would deliver greater cost effectiveness, as well as providing an acceptable solution that would meet the requirements of Navy.<sup>13</sup>
- 4.19 The department further added that there were two elements of the proposed redevelopment of HMAS CRESWELL regarded as priorities. The first of these were the works associated with the RANSSSS because of the priority attached to the training provided by the school by both the department and Navy. The second was the decision to undertake the full scope of engineering infrastructure works that according to the department's Statement of Evidence are currently in poor condition, and require an increase in capacity so as to reduce maintenance liabilities.<sup>14</sup>

## Heritage Issues

- 4.20 In relation to the department's proposal to refurbish Cerberus House, a building of some 50 years old, the Committee expressed some reservations that the works associated with this aspect of the project could be met from within the existing budget assigned to it – particularly having regard to the condition of the building.
- 4.21 In responding, Defence acknowledged that there was a premium in retaining heritage listed buildings, but that since Cerberus House was heritage listed there was no option but to ensure its preservation. The works associated with the building's preservation would involve gutting

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12 loc. cit.

13 *ibid.*, page 5.

14 *ibid.*, page 6. See also Submission 1, paragraph 36.

the interior and constructing a steel frame inner structure followed by a new internal fit-out including the restoration of ceilings and walls, and new electrical, plumbing and sewerage works.<sup>15</sup> According to Defence, the cost of the proposed refurbishment could be met through from the estimate provided.

- 4.22 The Committee enquired as to how Geelong House a building that had been demolished some years previously would be reconstructed to complement Cerberus House.
- 4.23 Defence informed the Committee that while it is intended that the external facade of Geelong House would reflect the heritage appearance of Cerberus House, it would incorporate more recent trimmings including aluminium look-alike windows, and that ecologically sustainable development design principles would be applied including meeting Defence's requirement of an ABGR 4.5 energy rating. The department further stated that:

Some of the design measures which have been identified for that building are natural ventilation, with supplementary fans for cooling and convective heating in the inner living accommodation; low-flow shower heads...and individual variable refrigerant volume air-conditioning in the offices and training rooms...<sup>16</sup>

- 4.24 On the broader question of heritage related issues, the ACT Government witness in responding to a question from the Committee on the jurisdiction of the ACT to exercise responsibility over the heritage values of HMAS CRESWELL stated that his agency was not aware of the heritage aspects of Creswell. The witness stated however that the laws of the ACT apply in the Jervis Bay Territory unless there exist Commonwealth laws or regulations that overrode the ACT.<sup>17</sup>

- 4.25 The witness subsequently informed the Committee that:

The buildings of heritage significance at HMAS CRESWELL are listed on the National Heritage Register under the *Environment Protection and Biodiversity Conservation Act 1999*. Where there is Commonwealth legislation in place it overrides the ACT legislation. In this case the heritage values are protected by the Commonwealth legislation administered by the Commonwealth Department of Environment and Water Resources.<sup>18</sup>

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15 *ibid.*, page 7.

16 *loc. cit.*

17 *ibid.*, page 12.

18 e-mail to the Committee of 24 September, 2007.

- 4.26 Notwithstanding, the witness stated that the Environment and Protection Branch the TAMS (TAMS) was prepared to provide advice on any heritage aspects of the development should it be approached by Defence. However, the witness was uncertain as to whether ACT legislation was applicable on a Commonwealth Defence establishment.<sup>19</sup>

## Water and Sewerage

- 4.27 The Committee enquired as to the impact that the proposed works, once complete, would have on the demand for water and power, and was informed by the department that current water consumption was in the vicinity of 56 million litres of water annually. According to Defence this will be reduced when treated water for toilets comes on line delivering savings of about 15 million litres annually, inclusive of the proposed new 25-metre swimming pool.
- 4.28 The Committee noted the Submission by the Department of Transport and Regional Services seeking clarification of the source of water for the proposed new 25 metre indoor swimming pool, against a background of water restrictions in the Jervis Bay area and the pressure that this might place on existing water resources in the Territory.<sup>20</sup>

### Recommendation 1

**The Committee recommends that Defence provide further information to the Department of Transport and Regional Services regarding concerns as to the provision of water for the proposed swimming pool.**

- 4.29 Defence acknowledged that the new development would increase power usage on base as a result of the increase in occupiable area delivered by the new facility.<sup>21</sup> The department did not offer any insights into the likely increase of consumption, nor did it indicate what impact proposed energy ratings might have on power consumption. Further it was unclear whether Integral Energy had the capacity to sustain the supply of the energy needs of the base without major upgrades to the electricity infrastructure.

<sup>19</sup> Transcript of Evidence, page 12.

<sup>20</sup> Submission No.2, Department of Transport and Regional Services.

<sup>21</sup> Transcript of Evidence, page 8.

## Recommendation 2

**The Committee recommends that Defence inform it of potential energy savings flowing from the initiatives it proposes to incorporate into the redevelopment of HMAS CRESWELL, and the outcomes of consultations with Integral Energy regarding the supply of power to HMAS CRESWELL, with particular regard to any additional infrastructure that might be required.**

- 4.30 The Committee sought a response from Defence as to whether the new living-in accommodation and some other new buildings would include water capture measures.
- 4.31 In addressing the Committee's question, Defence stated that it had not included rainwater tanks on new buildings. The department explained that the overflow from the effluent holding pond could provide irrigation to non-inhabited areas of the base, and that once treated could also be used in all of the toilets in the new and refurbished buildings. In the view of the department treatment of water from the effluent holding pond was more cost effective than capturing rainwater, although the opportunity to install water tanks was an option in the future if required.<sup>22</sup>
- 4.32 As to whether there was a possibility of untreated water run-off into Jervis Bay, Defence explained that the current processes whereby water discharged from the effluent holding pond was reused precluded untreated water being discharged into the Bay.<sup>23</sup>
- 4.33 The issue of the use of recycled water was of concern to the witness from the ACT Government. The witness informed the Committee that the use of recycled water was the subject of legislation in the ACT, and that it required an agreement with the Environmental Protection Agency in order to provide assurances to the local community that the environment has been adequately protected.<sup>24</sup>
- 4.34 The witness acknowledged the in principle preparedness of Defence to sign-off on that agreement, noting that there already existed a similar agreement in the Canberra region relating to the use of recycled water on Defence sporting grounds.<sup>25</sup>

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22 *ibid.*, page 9.

23 *loc. cit.*

24 *ibid.*, page 12.

25 *loc. cit.*

### Recommendation 3

**In order to resolve the concerns of the ACT government regarding the use of recycled water, the Committee recommends that Defence continues to consult in detail with the Government of the ACT and ensure that the department complies with ACT legislation.**

- 4.35 Following up on the potential for low grade water entering Jervis Bay the witness informed the Committee that the Environment and Heritage Branch of TAMS undertakes a water sampling regime of discharges of both groundwater and surface water. This sampling regime is also conducted on the sewerage treatment area. The two sampling regimes referred to produce a level of certainty in respect to treated water that all of the Jervis Bay occupants can rely on.<sup>26</sup>

### Consultations with the ACT Government

- 4.36 The Committee sought reasons why Defence had not consulted with the ACT Government in the development of this project, particularly since the Territory of Jervis Bay was part of the ACT.
- 4.37 Defence acknowledged that this had come about as a result of a misunderstanding. The department believed that TAMS were the responsible department for operations within the Jervis Bar area. Having become aware of the role of the ACT in administering the Jervis Bay Territory, it had initiated meetings with officials of the ACT Government to explain the project, and reached agreement on providing feed-back on environmental matters to ensure that the department meets its obligations under ACT environmental legislation.<sup>27</sup>
- 4.38 The ACT Government witness confirmed that meetings had occurred, and that a mechanism for consultation between the parties had been agreed.<sup>28</sup>
- 4.39 However, as the witness explained, the ACT Government is still not privy to a number of aspects of the proposal that are yet to be clarified. Further owing to the stage reached by Defence in the development of the project

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26 *ibid.*, page 13.

27 *ibid.*, page 9.

28 *ibid.*, page 11.

particularly related to water-sensitive urban design it may be difficult to agree with or change measures proposed by Defence.<sup>29</sup>

- 4.40 Although acknowledging that Defence has undertaken to provide the details requested by the ACT, the ability to modify or change design works was perceived as being difficult, particularly where a need might arise to retro-fit measures to preserve the sensitivities associated with the environment. Further, the witness indicated that the Defence response to the Government's submission was vague, using words like 'where necessary' which was not indicative of a sufficient level of commitment. The witness expressed the hope that some of these issues could be resolved through the Public Health and Environment Working Group.<sup>30</sup>

#### **Recommendation 4**

**In the interests of ensuring water-sensitive urban design Defence give consideration to water capture measures to service living-in accommodation. The Committee recommends that water capture facilities be installed as part of the development in preference to retro-fitting in the future.**

- 4.41 The witness also informed the Committee that there were aspects of the proposed development relating erosion control that had been raised by the ACT. It had not been possible for the government to make any assessment as to the likelihood of sediment run-off since the construction management plans were unavailable limiting the opportunity for the government to assess whether suitable controls were in place to protect the marine environment of Jervis Bay.<sup>31</sup>
- 4.42 In its submission to the Inquiry, TAMS expressed concerns over the proximity of the proposed works to what it describes as a 'sensitive receiving environment', and recommended that:
- ...the proposed Environment Management Plans for the works specifically detail the controls to be established and maintained during the works to prevent any discharges.
- 4.43 The details that Defence has been asked to comply with by the ACT government are consistent with the ACT Environment Protection

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29 loc. cit.

30 loc. cit.

31 *ibid.*, page 12.

Authority's 1998 guidelines 'Erosion and Sediment Control during land Development'

### Recommendation 5

**So as to meet ACT requirements relating to erosion control sediment run off and other discharge potentially likely to occur during the project works, the Committee recommends that Defence obtain a copy of the ACT Environment Protection Authority's 1998 guidelines 'Erosion and Sediment Control during land Development' and work toward compliance with these obligations.**

## Hazardous Waste

- 4.44 In response to a reference to the removal and disposal of hazardous waste included in the submission received from the Government of the ACT,<sup>32</sup> the Committee sought details from the departmental witness as to how the disposal of hazardous waste would be regulated in the event of being present on the site.<sup>33</sup>
- 4.45 The witness confirmed that oversight of the disposal of hazardous waste would definitely be monitored if it was identified. The witness acknowledged that Defence had committed itself to providing the Public Health and Environment Committee of the Jervis Bay Territory with details of hazardous materials surveys and other remedial works done on Creswell, which in the ACT is a standard part of any redevelopment work. Should there be a requirement to remove asbestos Defence would be obliged to provide the detail in its management plan for the site.<sup>34</sup>
- 4.46 In terms of disposal, the witness stated that the Department would be closely watching this, and would be available to Defence to provide advice as to whether the management of the disposal of hazardous materials was being undertaken consistent with ACT regulations.<sup>35</sup>
- 4.47 On the question of the extent of hazardous waste the witness informed the Committee that the department was not privy to the extent and nature of site contamination, including in addition to asbestos, the presence of any

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32 Submission No.10, ACT TAMS.

33 Transcript of Evidence, page 13.

34 loc. cit.

35 loc. cit.

potential hydrocarbon contamination from old fuel storage sites and possible PCBs.

### **Recommendation 6**

**Having regard to the concerns of the ACT Department of Territory and Services regarding the management and disposal of hazardous waste, the Committee recommend that Defence undertake an appropriate hazardous materials survey of proposed works at HMAS CRESWELL, and furnish the ACT Department of Territory and Services with a plan for the management and disposal of any hazardous waster identified.**

## **Project Cost**

4.48 The estimated out-turn cost of the works is \$83.6 million. This figure includes all design works; construction costs; management fees; furniture, fittings and equipment, and an escalation and contingency provision.

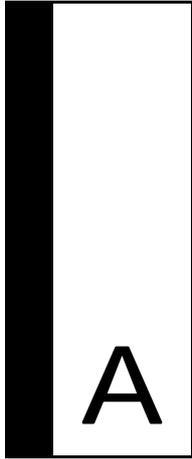
### **Recommendation 7**

**The Committee recommends that HMAS CRESWELL Redevelopment proceed at an estimated cost of \$83.6 million.**

**Mark Butler MP**

Chair

17 March 2008

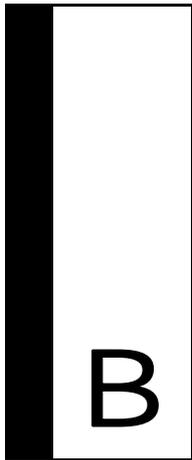


## Appendix A – List of Submissions and Exhibits

### Submissions

1. Department of Defence
2. Department of Transport and Regional Services
3. Shoalhaven City Council
4. Director of National Parkes
5. Dennis Cowdroy OAM
6. Department of Defence (Supplementary submission)
7. Department of Defence (Supplementary submission)
8. Department of Defence (Supplementary submission)
9. Department of Defence (Supplementary submission)
10. ACT Department of Territory and Municipal Services
11. Department of Defence (Supplementary submission)





## Appendix B – List of Witnesses

DAVIS, Mr Fergus Campbell, Project Director, Infrastructure Asset Development Branch, Department of Defence

EARLE, Mr Kevin Eric, Project Manager/Contract Administrator for HMAS Creswell Redevelopment Project, Connell Wagner Pty Ltd

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

HARMER, Chief Petty Officer Shane Michael, Senior Instructor, Royal Australian Navy School of Survivability and Ship Safety, Royal Australian Navy

VANDYKE, Captain John Andrew, Commanding Officer, HMAS Creswell, Royal Australian Navy

WALTERS, Mr Daniel Jusztin, Manager, Environment Protection, Department of Territory and Municipal Services

ZENTELIS, Mr Richard, Director, Heritage and Biodiversity Conservation, Department of Defence