

## Project AIR9000 Phase 7 – Helicopter Aircrew Training System Facilities Project

- 3.1 The Department of Defence (Defence) seeks approval from the Committee to provide facilities at HMAS Albatross, NSW and Jervis Bay Airfield, ACT, which can deliver helicopter training in a safe, fully integrated, modern environment, using a combination of live and synthetic training experiences on both modern twin-engine helicopters and flight simulators.<sup>1</sup>
- 3.2 Defence informed the Committee that the Government is acquiring advanced, new generation naval combat and battlefield helicopters. Consequently, an upgrade to the introductory helicopter training system is required to ensure aircrew are adequately trained to operate these helicopters.<sup>2</sup>
- 3.3 The purpose of the proposed JP9000 Phase 7 Helicopter Aircrew Training System (HATS) facilities project is to provide a new training system incorporating both live and synthetic training elements to consolidate Navy and Army helicopter training into a single joint helicopter aircrew training system at HMAS Albatross and Jervis Bay Airfield (JBAF).<sup>3</sup>
- 3.4 The estimated cost of the project is \$157.1 million, excluding GST.
- 3.5 The project was referred to the Committee on 28 October 2014.

### Conduct of the inquiry

- 3.6 Following referral, the inquiry was publicised on the Committee's website and via media release.

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1 Defence, submission 1, p. 4.

2 Defence, submission 1, p. 1.

3 Defence, submission 1, p. 1.

- 3.7 The Committee received one submission and three supplementary submissions from Defence. A list of submissions can be found at Appendix A.
- 3.8 The Committee conducted an inspection, public hearing and in-camera hearing on the project on 30 January 2015 at HMAS Albatross in Nowra, NSW. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.<sup>4</sup>

## Need for the works

- 3.9 The new HATS capability will prepare Navy and Army aircrew pilots, aviation warfare officers and aircrewmen/sensor operators for conversion to the advanced, new generation, operational helicopters.<sup>5</sup>
- 3.10 Defence told the Committee that the implementation of the HATS project will:
- ... reduce the training burden on operational aircraft, provide efficiencies across the Australian Defence Force (ADF) by capturing aircrew training competencies that are common in each of the different ADF helicopter types, and provide greater opportunity for the ADF's combat helicopters to focus on core operational capability. The Facilities Project is required to enable JP9000 Phase 7 HATS to meet these outputs.<sup>6</sup>
- 3.11 The project will use both commercial-off-the-shelf and military-off-the-shelf technologies to deliver a complete training system which will be supported by hangar, maintenance, training, administration, storage and warehousing facilities.<sup>7</sup>
- 3.12 At the public hearing, Defence told the Committee that the new helicopter aircrew training system will :
- ... provide training for Navy and Army aircrew, including pilots, aviation warfare officers, aircrewmen and sensor operators, before these aircrew progress to conversion onto advanced operational helicopter types, including the MH60R Seahawk, the MRH90 Army multirole helicopter and Navy maritime support helicopter, the S70A9 Black Hawk, the CH47 D/F Chinook and the EC655 Tiger armed reconnaissance helicopter.<sup>8</sup>

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

5 Defence, submission 1, p. 1.

6 Defence, submission 1, p. 6.

7 Defence, submission 1, p. 1.

8 Group Captain Ian Browning, Defence, transcript of evidence, 30 January 2015, p. 1.

- 3.13 Defence has stated that the existing facilities at HMAS Albatross and JBAF do not satisfy the specialised facility requirements necessary for HATS. Therefore, modification of existing facilities and infrastructure services, along with the construction of new facilities are required to address this current shortfall. The proposed facilities will support the safe and effective delivery of the new training system.<sup>9</sup>
- 3.14 During its visit to HMAS Albatross, the Committee observed a student sitting in front of a cardboard cut-out representing the cockpit of a helicopter and noted in the hearing that this method of training seemed somewhat out-dated. The Commander of the Fleet Air Arm told the Committee that:
- ... what we have had in place for the best part of the four decades that I have been flying has not been different from that. I have returned to command the Fleet Air Arm after 20 years' absence from it, and the very cardboard cut-outs that I used back when I was the CO of the squadron, and converting onto the type years before that, are the ones I used to get familiar with the cockpit again on the way back in.<sup>10</sup>
- 3.15 Having witnessed first-hand the dated training systems and facilities, the Committee is satisfied that the need for the works exists.

## Location of the works

- 3.16 The proposed works will be undertaken at the Commonwealth owned, Defence controlled establishments of HMAS Albatross – which is located approximately 6km south west of Nowra on the south coast of NSW, and JBAF – which is located 33km south east of HMAS Albatross, and is managed through HMAS Creswell.<sup>11</sup>

## Scope of the works

- 3.17 The capability being acquired under the JP9000 Phase 7 HATS project includes:
- 15 Airbus EC135 helicopters;
  - three full flight simulators (with capacity for installation of an additional simulator in the future);
  - one marshalling synthetic trainer;

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9 Defence, submission 1, p. 8.

10 Commodore Vincenzo Di Pietro, Commander, Fleet Air Arm, Fleet Command, Royal Australian Navy, transcript of evidence, 30 January 2015, p. 5.

11 Defence, submission 1, p. 5.

- one aircraft replica trainer;
  - two desktop trainers;
  - two tactical part task trainers; and
  - through-life support contracts.
- 3.18 The facilities work proposed at HMAS Albatross and JBAF to support the JP9000 Phase 7 HATS project include:
- offices space;
  - workshops and hangars for maintenance and storage of the aircraft;
  - training facilities (classrooms, flight simulators and synthetic trainers) for instructors, pilots, aviation warfare officers, aircrewmen and sensor operators;
  - parking aprons and refuelling facilities;
  - briefing and crew rooms; and
  - living-in accommodation.
- 3.19 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

## Options considered

- 3.20 Defence told the Committee that it initially investigated ten training facilities options, five living-in accommodation options and two JBAF briefing facility options. Through a process of elimination during multiple design reviews, value management reviews and siting option workshops, each project element option was assessed for its suitability to meet Defence's requirements. Viable options were assessed and the option found to provide the best value for money solution was identified as the proposed option.<sup>12</sup>
- 3.21 The preferred facility solutions for the HATS Training Facilities and Living in Accommodation at HMAS Albatross, and the Briefing Facility at JBAF were adopted as they all:
- provide value for money solutions that address the current facilities deficiencies to fully support the HATS capability;
  - create effective and streamlined interaction between like functions which will improve the efficiency of the HATS Training Curriculum;
  - meet current compliance legislation and other statutory requirements;
  - maximise opportunities to achieve optimised ecologically sustainable design and green building outcomes;

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12 Defence, submission 1, p. 11.

- maximise opportunities to integrate similar functions to achieve construction economies of scale and facility performance efficiencies post construction;
  - minimise the requirement for temporary facilities and decanting, which in turn minimises disruption to ongoing training and operations; and
  - minimise whole of life costs.
- 3.22 In order to achieve the JP9000 Phase 7 Initial Operational Capability milestone, the selected option would need to be able to complete the Synthetic Training Facility by late 2016, and start installation of the full flight simulators in August 2016 to support the commencement of the Initial HATS Pilot Training Course.<sup>13</sup>
- 3.23 Additionally, the chosen option for the HATS facilities project would be required to enable the integration of live training with synthetic training devices, including flight simulators and computer based training platforms; and consider best use of the estate, in particular the airside real estate at HMAS Albatross and JBAF.<sup>14</sup>
- 3.24 Defence stated that it considered the viability of adaptively re-using or refurbishing existing facilities to reduce the requirement for new construction but in most cases, the options to re-use facilities were not cost effective because of the dilapidation, structural inadequacy, dysfunctional layout or inappropriate siting of the available facilities. Consequently, the majority of facilities proposed in this project are to be new construction. The exception is the live training component which will be housed in the existing K hangar. K Hangar was assessed as cost effective for refurbishment and adaptive reuse as it currently fulfils similar functions.<sup>15</sup>
- 3.25 Two buildings will be demolished, both of which are between 30 and 40 years old.<sup>16</sup> Group Capt. Browning noted that being 1970s buildings “we will encounter asbestos”.<sup>17</sup> The Committee was told:
- All asbestos will be removed, and that will be undertaken by licensed asbestos removers ... to be disposed of in accordance with New South Wales government regulations and the Defence Strategic Management Plan.<sup>18</sup>
- 3.26 The Committee is satisfied that Defence’s reasons for adopting the proposed course of action are sound.
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13 Defence, submission 1, p. 11.

14 Defence, submission 1, p. 11.

15 Defence, submission 1, p. 11.

16 Group Captain Ian Browning, Defence, transcript of evidence, 30 January 2015, p. 2.

17 Group Captain Ian Browning, Defence, transcript of evidence, 30 January 2015, p. 3.

18 Mr Johnny Tripodi, Lend Lease, transcript of evidence, 30 January 2015, p. 3.

## Impact on local community

- 3.27 Defence told the Committee that the project will generate short-term local employment predominantly in the building, construction and unskilled labour markets. Defence expects that a peak workforce of approximately 380 will be directly employed on construction activities as well as off-site functions for manufacturing and distribution of materials.
- 3.28 Defence anticipates that local building subcontractors will be employed on a large proportion of the construction works. The Managing Contractor will engage with local industry groups to maximise opportunities for local businesses, providing a positive economic impact to small and medium enterprises in the region. Defence anticipates that where the local market has insufficient capacity to manage the volume of the work, it will employ major sub-contractors from city based markets, which will provide wider economic benefits to the community.
- 3.29 Construction traffic routes will be managed through a project traffic management plan. Defence anticipates minimal disruption to the local community as both HMAS Albatross and JBAF are not accessed via major trunk roads.<sup>19</sup>
- 3.30 Regarding heritage issues, at the public hearing, Defence noted that during consultation with the Aboriginal Community Council:

There was no concern raised by the Wreck Bay community in terms of environmental issues. In terms of the project itself, the HATS facility environmental report found that the potential for Indigenous heritage values is reduced where the land has been impacted by early development, in this case with the proposed sites within Albatross and at Jervis Bay airfield. HMAS Albatross is not recognised for Indigenous heritage values on the National Heritage List or the Commonwealth Heritage List or the Register of the National Estate. A review of the New South Wales State Heritage Register indicates that there are no known Indigenous sites within the footprint of Albatross itself. Indigenous artefacts' locations have been identified outside the airfield perimeter at Jervis Bay airfield, away from the preferred new HATS briefing facility sites.<sup>20</sup>

## Cost of the works

- 3.31 The estimated cost of this facilities project is \$157.1 million, excluding GST.

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<sup>19</sup> Defence, submission 1.2, p. 18.

<sup>20</sup> Ms Jacqueline Bestek, Defence, transcript of evidence, 30 January 2015, p. 2.

- 3.32 Defence provided further detail on the project costs in the confidential submissions and during the in-camera hearing.
- 3.33 The Committee considers that the cost estimates for the project have been adequately assessed by Defence and the Committee is satisfied that the proposed expenditure is cost effective. As the project will not be revenue generating the Committee makes no comment in relation to this matter.

### Committee comments

- 3.34 The Committee thanks Defence staff who were involved in the Committee's visit to HMAS Albatross. The Committee was warmly welcomed and appreciated the effort put into making the briefing and site inspection both interesting and informative.
- 3.35 At HMAS Albatross, the Committee saw firsthand the deficiencies in the existing training facilities and systems and was surprised at how out-of-date some of the training systems appeared to be. However, the Committee fully accepts the Commander's assurances that while operating for some years under sub-optimal training conditions, training has always been to the highest standard and HMAS Albatross has consistently produced exceptional pilots.
- 3.36 The Committee did not identify any issues of concern with Defence's proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 3.37 During the in-camera hearing, Defence demonstrated that it has appropriately assessed the project costs and risks, and will continue to manage these elements throughout the project.
- 3.38 The Committee reminds Defence that it must notify it of any changes to the project scope, time and cost. The Committee also requires that a post-implementation report be provided within three months of completion of the project. A report template can be found on the Committee's website.
- 3.39 Having regard to its role and responsibilities contained in the *Public Works Committee Act 1969*, the Committee is of the view that this project signifies value for money for the Commonwealth and constitutes a project which is fit for purpose, having regard to the established need.

**Recommendation 2**

- 3.40 **The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: Project AIR9000 Phase 7 - Helicopter Aircrew Training System (HATS) Facilities Project.**

Graham Perrett MP  
Deputy Chair

12 February 2015