

Report 10/2015

Referrals made August and September 2015

- Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland
- Growler Airborne Electronic Attack Capability Facilities Project
- Delamere Air Weapons Range Redevelopment Project, Northern Territory

Parliamentary Standing Committee on Public Works

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Membership of the Committee

Chair	Senator Dean Smith
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List of recommendations

2 Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland

Recommendation 1

The Committee recommends that the House of Representatives resolve, pursuant to Section 18(7) of the *Public Works Committee Act 1969*, that it is expedient to carry out the following proposed work: Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland.

3 Growler Airborne Electronic Attack Capability Facilities Project

Recommendation 2

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: Growler Airborne Electronic Attack Capability Facilities Project.

Recommendation 3

The Committee requires the Department of Defence to provide a mid-term status report on completion of the first phase of the project which is to deliver facilities to meet the EA-18G Growler aircraft initial operating capability.

4 Delamere Air Weapons Range Redevelopment Project, Northern Territory

Recommendation 4

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: Delamere Air Weapons Range Redevelopment Project, Northern Territory.

Introduction

- 1.1 Under the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works is required to inquire into and report on public works referred to it through either house of Parliament. Referrals are generally made by the Parliamentary Secretary to the Minister for Finance.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives receives that report and resolves that it is expedient to carry out the work.¹
- 1.3 Under the Act, a public work is a work proposed to be undertaken by the Commonwealth, or on behalf of the Commonwealth concerning:
 - the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures;
 - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures;
 - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures);
 - the demolition, destruction, dismantling or removal of buildings, plant and equipment, earthworks, and other structures;
 - the clearing of land and the development of land for use as urban land or otherwise; and
 - any other matter declared by the regulations to be a work.²

1 The *Public Works Committee Act 1969* (The Act), Part III, Section 18(8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the Regulations.

2 The Act, Section 5.

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

Structure of the report

- 1.6 The proposed projects were referred to the Committee in August and September 2015 by the then Parliamentary Secretary to the Minister for Finance, The Hon Michael McCormack MP.
- 1.7 In considering the works, the Committee analysed the evidence presented by the proponent agencies, submissions and evidence received at public and in-camera hearings.
- 1.8 In consideration of the need to report expeditiously as required by Section 17(1) of the Act, the Committee has only reported on significant issues of interest or concern.
- 1.9 The Committee appreciates, and fully considers, the input of the community to its inquiries. Those interested in the proposals considered in this report are encouraged to access the full inquiry proceedings available on the Committee's website.⁴
- 1.10 Chapter 2 of this report addresses the Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland. The estimated cost of the project is \$370.4 million, excluding GST.
- 1.11 Chapter 3 of this report addresses the Growler Airborne Electronic Attack Capability Facilities Project. The estimated cost of the project is \$348.6 million, excluding GST.
- 1.12 Chapter 4 of this report addresses the Delamere Air Weapons Range Redevelopment Project, Northern Territory. The estimated cost of the project is \$74.4 million, excluding GST.
- 1.13 Submissions are listed at Appendix A, and hearings and witnesses are listed at Appendix B.
-

3 The Act, Section 17.

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

Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland

- 2.1 The Department of Defence (Defence) seeks approval from the Committee to undertake works at a Royal Australian Air Force (RAAF) base in Amberley, Queensland, in order to provide facilities to operate and maintain ten new C-27J Battlefield Airlifter aircraft.¹
- 2.2 These light tactical, fixed-wing aircraft boast greater speed, range and payload capabilities than the previous fleet of aircraft.²
- 2.3 The first aircraft arrived in Australia in June 2015, and the second in September. The remaining aircraft are scheduled to arrive in stages beginning late 2016. The aircraft will be stored at RAAF Base Richmond, until work at RAAF Base Amberley is complete.³
- 2.4 RAAF Base Amberley is Defence's preferred main operating base for the aircraft, as it will provide opportunities and efficiencies for the Royal Australian Air Force. The C-27J Transition Team and No 35 Squadron (35SQN) will oversee the aircrafts' operation.⁴
- 2.5 Additionally, the Joint Logistic Unit for Southern Queensland is located at RAAF Base Amberley and will therefore provide 35SQN with immediate access to national level logistics support.⁵
- 2.6 The estimated cost of the project is \$370.4 million, excluding GST.
- 2.7 The project was referred to the Committee on 16 September 2015.

1 Defence, submission 1, p. 11.

2 Defence, submission 1, p. 1.

3 Defence, submission 1, p. 2.

4 Defence, submission 1, pp. 1,3.

5 Defence, submission 1, p. 3.

Conduct of the inquiry

- 2.8 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 2.9 The Committee received one submission and three supplementary submissions from Defence. A list of submissions can be found at Appendix A.
- 2.10 The Committee received a briefing from Defence and conducted an inspection at RAAF Base Amberley and public and in-camera hearings at Ipswich on 3 November 2015. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.⁶

Need for the works

- 2.11 In order to operate and maintain the new aircraft, Defence has separated works required into three groups:
1. training system facilities;
 2. operational facilities (working accommodation, maintenance facilities and aircraft parking apron); and
 3. replacement infrastructure for functions that have been displaced by the arrival of the new aircraft.⁷
- 2.12 Individual scope elements listed under each of these groups will be discussed later in the report; however works will include constructing new and refurbishing existing facilities, road extensions, demolitions and relocating heritage buildings.⁸
- 2.13 A Flight Line Master Plan has been developed by Defence to facilitate strategic planning at RAAF Base Amberley, particularly with regard to efficient use of space and layout options.⁹
- 2.14 At the public hearing, the Committee heard that the Master Plan influenced much of the project's scope.¹⁰ Defence went on to explain the plan's inception:

A couple of years ago when Air Force discussed the issue of formulating a flight line master plan with the state infrastructure group at the time, we knew that there were several projects in the mill that were proposed to be delivered at [RAAF Base] Amberley.

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

7 Defence, submission 1, p. 3.

8 Defence, submission 1, pp. 3-5.

9 Defence, submission 1, p. 2.

10 Brigadier Noel Beutel, Defence, transcript of evidence, 3 November 2015, p. 4.

As the brigadier has touched upon, there was no strategic vision of where these aircraft and operational and training facilities were to be located. As a result, we looked at a range of different factors, noting the significant investment that Defence had already made in the extant flight line area... It just was not economically viable to start with a blank sheet of paper. So there was an assumption that the extant facilities were a starting point.

Then we looked at a range of different functionalities when we looked at the potential locations and options for the future aircraft, including Growler [EA-18G Growler aircraft] and the C-27[J]. We considered aspects like explosive ordnance, safety arcs, flood levels and functionality, ensuring that there was what we call a linear flight line. So, there is the runway, the taxiway, the apron – basically where the aircraft get parked – then a maintenance facility, then the squad and headquarters for planning administration and, behind that, workshops. So there is an obvious flow of the work day to day and co-location of those facilities. They were all considered as part of the mix. We work closely with Estate and Infrastructure Group and consultants to look at a range of different factors. The Flight Line Master Plan, which you were briefed on this morning, was deemed the most appropriate and effective, and bed down for RAAF Base Amberley into the future.¹¹

- 2.15 Defence explained that locating the C-27J aircraft at RAAF Base Amberley allows for more efficient critical support, given that larger support aircraft are already residing there. This translates to reaching further distances in shorter amounts of time.¹²
- 2.16 During the site inspection, the Committee saw ageing facilities scheduled for demolition as well as facilities to be displaced by the proposed works.
- 2.17 The Committee is satisfied that the need for the work exists.

Options considered

- 2.18 As there are no existing operational and training facilities that will support the new aircraft, Defence proposes to construct new facilities as listed below under Scope of Works.¹³

11 Air Commodore Scott Winchester, Defence, transcript of evidence, 3 November 2015, pp. 4-5.

12 Wing Commander Daniel Rich, Defence, transcript of evidence, 3 November 2015, p. 10.

13 Defence, submission 1, p. 5.

- 2.19 Additionally, Defence proposes to construct new facilities to support the functions of facilities displaced by infrastructure for arrival of the new aircraft.¹⁴
- 2.20 The Committee found that, based on Defences' Flight Line Management Plan, the option proposed is appropriate. The Committee notes that by constructing the new facilities at RAAF Base Amberley in accordance with the Plan Defence is enhancing current and possible future capability of the base.

Scope of the works

- 2.21 Defence has identified 17 scope elements, to be split between three separate groups:

2.22 **Training system facilities**

1. Training system facilities.

The proposed training system facility will provide working accommodation, storage areas, meeting rooms, training classrooms, C-27J flight simulator and general amenities.¹⁵

- 2.23 During the in-camera hearing, the Committee noted there was some uncertainty about training requirements and therefore sought assurances from Defence that the training facilities would be fit-for-purpose. In responding to the Committee's query, Defence advised that there was sufficient flexibility in the design to accommodate the range of training requirements once these have been fully determined.

2.24 **Operational facilities**

2. 35SQN Working Accommodation

The proposed facilities will provide the main working accommodation for 35SQN personnel. This will include open plan and private offices, storage areas, archives, meetings spaces and general amenities.¹⁶

3. 35SQN Logistics

This is proposed to include working accommodation, general warehousing, aircraft parts storage and management and a maintenance tool store.¹⁷

14 Defence, submission 1, pp. 5-6.

15 Defence, submission 1, pp. 14-15.

16 Defence, submission 1, p. 15.

17 Defence, submission 1, p. 15.

4. 35SQN Hangar

The hangar will be configured for three C-27J Battlefield Airlifter aircraft. Two aircraft positions within the hangar will be fitted with aircraft docking.¹⁸

5. 35SQN Workshops

A range of workshops are proposed in order for 35SQN personnel to undertake a range of aircraft and equipment maintenance activities such as structural repair, surface re-finishing, avionics and propulsion.¹⁹

6. 35SQN Apron

The apron and airfield infrastructure is required to safely operate, maintain and manoeuvre the new aircraft. This area will include parking spaces for ten C-27J Battlefield Airlifter aircraft, in-ground hydrant refuelling and aeronautical lighting.²⁰

7. 35SQN Ancillary Buildings

These facilities will be dispersed due to safety requirements and will include a dangerous goods store, ground support equipment shelters, communications node, fire tanks and fire pumps.²¹

8. Site Infrastructure

This will include essential engineering services and infrastructure.²²

9. Canberra Drive Extension to Hudson Road

This will comprise civil works, new road pavements, relocation of existing storm water drainage and services to within the proposed new road reserve corridor. The civil works will include appropriate pedestrian access routes to and from adjacent facilities.²³

2.25 Displaced facilities

10. Fire Station and Bureau of Meteorology Facility

The base firefighting capability and Bureau of Meteorology functions will be consolidated into a single new-build Fire Station/Bureau of Meteorology Facility. The Fire Station facilities proposed include dedicated working accommodation, fire training classrooms, recreation room, gymnasium, observation tower; parking and storage. The Bureau of

18 Defence, submission 1, p. 16.

19 Defence, submission 1, p. 16.

20 Defence, submission 1, pp. 16-17.

21 Defence, submission 1, p. 18.

22 Defence, submission 1, p. 18.

23 Defence, submission 1, p. 18.

Meteorology area comprises working accommodation and an observation room. General amenities will be shared.²⁴

11. 23SQN Working Accommodation

This will include open plan and private offices, archive storage areas, meeting rooms, resource areas and general amenities.²⁵

12. Transit Accommodation

This will provide 200 rooms with a capacity for 400 beds, working accommodation for management personnel, a dedicated bedding store and general amenities.²⁶

13. Transit Accommodation and Base Briefing Room/Court House Car Park

This will provide 174 spaces.²⁷

14. Base Briefing Room/Court House Facility

This proposed new facility will include a briefing room with tiered seating for 275 people, court house, storage for ceremonial equipment and general amenities.²⁸

15. Australian Air Force Cadet Facilities

This will combine training, flight line and working accommodation with the aircraft shelter and hangar facilities.²⁹

16. Canberra Drive Extension from Hudson Road to Lincoln Avenue

This will comprise civil works, new road pavements, relocation of existing storm water drainage and services to within the proposed new road reserve corridor. The civil works also include appropriate pedestrian access routes to and from adjacent facilities.³⁰

17. Environmental Protection and Biodiversity Conservation Heritage Impacts

The Department of Environment has approved the removal of all redundant facilities subject to a number of conditions, including the relocation of one heritage Bellman Hangar.³¹

24 Defence, submission 1, pp. 18-19.

25 Defence, submission 1, p. 19.

26 Defence, submission 1, p. 19.

27 Defence, submission 1, p. 20.

28 Defence, submission 1, p. 20.

29 Defence, submission 1, p. 20.

30 Defence, submission 1, p. 21.

31 Defence, submission 1, pp. 2, 21.

Heritage considerations

2.26 At the public hearing, Defence explained this final scope item:

...those facilities, particularly the Bellman hangar, the two P-1 huts and the storage containers³² are a number of facilities of the 38 heritage listed facilities [at Amberley] that Defence had referred to the Department of the Environment under the *Environment Protection and Biodiversity Conservation Act [1999]* and that the Department of the Environment did approve this year, with conditions. One of those conditions was the relocation of the Bellman hangar.³³

2.27 A representative for Defence's managing contractor continued:

At this stage we are developing up a design to accommodate the Air Force cadets' requirements and also meet the heritage requirements. So a solution which adaptively re-uses the heritage facility and also accommodates the Air Force cadets' needs is what we are looking at. Currently the intent with the [Battlefield Airlifter Facilities] Project is that we will be dismantling a nominated Bellman hangar, moving it in pieces over to the other side and reassembling it. But at that same time we will be upgrading the structure to meet current compliance and wind codes, for example – so essentially turning it into a new, compliant facility to be re-used to house the Air Force cadets' aircraft.³⁴

2.28 In addition to relocating the Bellman Hangar, the Department of the Environment has issued other conditions that must be met before a heritage interpretation plan can be sent to the Minister for the Environment for approval. Defence's project manager discussed them briefly at the public hearing:

There is the archival recording of all 38 heritage listed buildings. There is also the requirement to update the heritage management plan for [RAAF Base] Amberley.³⁵

2.29 Once approval of the interpretation plan has been received, Defence will be able to proceed with removing heritage buildings, under the final scope item.³⁶

32 The relocation of the P-1 huts and the storage containers will be included in the Growler Airborne Electronic Attack Capability Facilities Project in Chapter 3.

33 Brigadier Noel Beutel, Defence, transcript of evidence, 3 November 2015, p. 5.

34 Mr Robert Vines, Laing O'Rourke, transcript of evidence, 3 November 2015, p. 5.

35 Mr David Tranthem, Point Project Management, transcript of evidence, 3 November 2015, p. 7.

36 Mr David Tranthem, Point Project Management, transcript of evidence, 3 November 2015, p. 7.

Displaced facilities

2.30 During the public hearing, the Committee noted that relocating existing facilities accounts for nearly half of the project's scope. Defence explained:

Some of those displaced facilities... are quite aged and – to be honest – in completely the wrong location. They were probably located there originally for all the best intentions but, when we look at where RAAF Base Amberley is now in 2015 and where it is going forward in 2019-20, they are in a completely dysfunctional area. It is a completely inappropriate area for that.

The requirement for the displaced facilities is predominantly driven by the flight line master plan to maximise those operational requirements that we need for the new aircraft. Also, the facilities that we are displacing are not appropriate to be in that location to start with and, again, a lot of them are very old, noncompliant and eventually will have had to be displaced anyway. This project has driven that aspect of it.³⁷

2.31 Subject to Parliamentary approval of the project, construction is expected commence in early 2016³⁸ with all construction to be completed by early 2019.³⁹

2.32 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Community consultation

2.33 In accordance with its community consultation and communications strategy, Defence undertook the following consultative activities:

- detailed email correspondence with local groups and State and Federal members, with individual briefings conducted where requested;
- notices in the local newspapers providing information on opportunities for the public to comment on issues relating to the project; and
- a public consultation session held on 7 October 2015.⁴⁰

2.34 At the public consultation session, Defence responded to a number of issues, including questions about the tendering process. An overview of

37 Brigadier Noel Beutel, Defence, transcript of evidence, 3 November 2015, p. 4.

38 Defence, submission 1, p. 30.

39 Completion date corrected by Brigadier Noel Beutel, Defence, transcript of evidence, 3 November 2015, p. 1.

40 Defence, submission 1.2, pp. 1-7.

this process was presented and further queries directed to the Managing Contractor.⁴¹

Cost of the works

- 2.35 The estimated cost of the project is \$370.4 million, excluding GST.
- 2.36 At the public hearing the Committee sought assurances that the proposed works would provide value for money. Defence responded:
- ...the minimum that we could expect to get out of the life of these facilities is 40 years, but...I think Defence has a good record of getting good mileage out of its facilities. In comparison to the life of the aircraft I am advised that that is 30 years. Again I would state that the Caribou probably had a similar design life. It was purchased in 1963, and we only retired that aircraft from service in 2009.⁴²
- 2.37 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.
- 2.38 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

- 2.39 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.
- 2.40 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.

41 Defence, submission 1.2, p. 8.

42 Brigadier Noel Beutel, Defence, transcript of evidence, 3 November 2015, p. 9.

Recommendation 1

- 2.41 **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: **Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland.****
- 2.42 Proponent agencies must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.

Growler Airborne Electronic Attack Capability Facilities Project

- 3.1 The Department of Defence (Defence) seeks approval from the Committee to conduct works at Royal Australian Air Force (RAAF) Base Amberley, Queensland, Army Aviation Centre Oakey, Queensland and Delamere Air Weapons Range (Delamere), Northern Territory.
- 3.2 The primary objective of the project is to provide purpose built facilities and adaptively reused facilities to support the introduction of the EA-18G Growler Airborne Electronic Attack capability.¹ The project will provide civil works, infrastructure, landscaping and conduct demolition works.²
- 3.3 Defence has purchased 12 new-build EA-18G Growler aircraft (Growler). These will operate in conjunction with air, land and sea forces and will reduce the risk to forces and improve their situational awareness.³
- 3.4 The estimated cost of the project is \$348.6 million, excluding GST.
- 3.5 The project was referred to the Committee on 19 August 2015.

Conduct of the inquiry

- 3.6 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 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 received a briefing from Defence and conducted an inspection at RAAF Base Amberley on 3 November and public and in-camera hearings at Ipswich on 4 November 2015. A transcript of the public

1 Defence, submission 1, p. 16.

2 Defence, submission 1, p. 3.

3 Defence, submission 1, p. 1.

hearing and the public submissions to the inquiry are available on the Committee's website.⁴

Need for the works

- 3.9 The first Growler aircraft is scheduled to be delivered to Australia in February 2017 with the Initial Operating Capability milestone scheduled for July 2018.⁵
- 3.10 At the public hearing, the Committee heard that the Growler is owned by the United States and that, on receipt of the first aircraft, Australia will be the only other operator.⁶
- 3.11 The aircraft will be based at RAAF Base Amberley and will be operated by No. 6 Squadron (6SQN), an element of No. 82 Wing (82WG) which is the strike and reconnaissance wing of the Royal Australian Air Force.⁷
- 3.12 82WG is headquartered at RAAF Base Amberley, Queensland and is part of Air Combat Group. It currently operates F/A-18F Super Hornet (Super Hornet) multirole fighters and Pilatus PC-9 forward air control aircraft.⁸
- 3.13 The facilities requirements to support the introduction of the Growler capability include:
- operational, administration, logistics, and operational level maintenance facilities for 6SQN;
 - minor adjustment to existing 1SQN facilities to account for the Super Hornet aircraft being transferred from 6SQN once the Growler aircraft have been delivered;
 - working accommodation for Air Combat and Electronic Attack System Program Office;
 - simulator training facilities;
 - intermediate level maintenance facilities;
 - warehousing;
 - administration and operations facilities for the Mobile Threat Training Emitter System (MTTES) at Army Aviation Centre Oakey and Delamere Air Weapons Range; and
 - associated support services and infrastructure.⁹

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

5 Defence, submission 1, p. 2.

6 Group Captain Timothy Churchill, Defence, transcript of evidence, 4 November 2015, p. 3.

7 Defence, submission 1, p. 2.

8 Defence, submission 1, p. 2.

9 Defence, submission 1, pp. 2-3.

3.14 During the inspection, the Committee saw secure facilities and existing aircraft hangars, as well as the site of the proposed multi-storey car park.

3.15 At the public hearing, the Committee asked why the MTTES was an important part of the project. Defence responded:

It is an essential element of our ability to what we call 'raise, train and sustain'. The emitter is basically out there to provide signals in space that Growler can detect, geo-locate and classify. That is one of the key capabilities for Growler air cruisers to understand the environment in which they are flying. There are also other emitters out there in our training capability that can be affected by jamming, which is what we plan to do up in the Northern Territory, where it is relatively unfettered by any spectrum – that is, licensing or other urban encroachment issues in the electromagnetic spectrum. Basically it is core business of Growler to understand what is out there in the battle space, and then – depending on tactics, techniques and procedures – to emit certain frequencies and jamming techniques to influence that environment.¹⁰

3.16 The Committee heard that the MTTES component of the works would be necessary irrespective of the new aircraft, as this upgrade in capability was originally required for the Super Hornets.¹¹

3.17 Given that the United States is currently the sole owner and operator of the Growler aircraft, the Committee asked if elements of the project were influenced by United States' requirements. Defence responded:

There are classified security requirements that are placed upon us by the [United States] to protect these sensitive capabilities that are embodied in the Growler, and they involve physical process and personnel and procedures. There are also international trade in arms regulations that apply to this equipment.¹²

3.18 The Committee is satisfied that the need for the work exists.

Options considered

3.19 Defence has considered a number of options including the adaptive reuse of existing facilities and the construction of new facilities at the three locations.¹³

10 Group Captain Timothy Churchill, Defence, transcript of evidence, 4 November 2015, p. 5.

11 Group Captain Timothy Churchill, Defence, transcript of evidence, 4 November 2015, pp. 5-6.

12 Group Captain Timothy Churchill, Defence, transcript of evidence, 4 November 2015, p. 5.

13 Defence, submission 1, p. 5.

RAAF Base Amberley

- 3.20 Adaptively reusing existing 6SQN facilities was not considered to be a feasible option as the existing facilities do not provide the appropriate level of functionality or security. Consequently, Defence's preferred option is to construct new facilities.¹⁴
- 3.21 The following preferred options have also been identified:
- extending the existing aircraft simulator facility;
 - constructing a new two-storey building for the Air Combat Electronic Attack System Program Office;
 - constructing a new multi-storey car park;
 - adaptively reusing the existing Super Hornet warehouse;
 - constructing an aircraft apron, ground support equipment shelters and in-ground hydrant refuelling system to supplement existing facilities; and
 - constructing two new aircraft shelters in addition to three existing aircraft shelters.¹⁵

Army Aviation Centre Oakey

- 3.22 The adaptive reuse of existing facilities is the preferred option, as existing facilities are available and suitable for requirements.¹⁶

Delamere Air Weapons Range

- 3.23 Many of the existing facilities have deteriorated and no longer meet current building standards or functional requirements. Consequently, Defence has determined that they are not suitable for reuse.¹⁷
- 3.24 The preferred option is to construct new facilities within Delamere's existing entry and relocate all supporting capabilities and infrastructure. MTTES emitter sites and associated access roads will also be provided.¹⁸
- 3.25 An element of overlap exists between this project and a separate project proposed for Delamare. See Chapter 4.
- 3.26 The Committee found that Defence has considered available options to deliver the project and has selected the most suitable option.

14 Defence, submission 1, p. 6.

15 Defence, submission 1, p. 6.

16 Defence, submission 1, p. 7.

17 Defence, submission 1, p. 7.

18 Defence, submission 1, p. 7.

Scope of the works

3.27 Defence has separated the works into 13 scope elements, which are listed below.¹⁹

RAAF Base Amberley

1. construction of new, purpose built facilities for 6SQN;
2. construction of new, purpose built facilities for the storage and preparation of the electronic attack pods;
3. 1SQN internal refurbishment;
4. flight line and ground support equipment shelters;
5. construction of new, purpose built aircraft apron;
6. in-ground aircraft hydrant refuelling system;
7. construction of new, purpose built facilities for the Air Combat Electronic Attack System Program Office;
8. refurbishment of a warehouse to provide suitable logistics for the Super Hornet and Growler capabilities;
9. construction of new, purpose built facilities for additional Growler aircraft simulator requirements; and
10. construction of new, purpose built multi-storey car parking facilities; and
11. upgrades to base services and infrastructure.²⁰

Army Aviation Centre Oakey

12. adaptive reuse of two existing buildings at Army Aviation Centre Oakey , including:
 - office working accommodation and amenities for 15 personnel;
 - covered parking for six vehicles;
 - covered parking for six trailers; and
 - a vehicle electronics workshop.

Delamere Air Weapons Range

13. construction of new, purpose built facilities at Delamere to support the training of the Growler capability, including:
 - a Range Operations Centre;
 - living accommodation;

¹⁹ Defence, submission 1, p. 17.

²⁰ Defence, submission 1, pp. 17-23.

- a MTTES maintenance workshop;
 - a MTTES vehicle shelter;
 - Authentic Defence Radar System storage and emitter shelters;
 - A vehicle wash bay and loading ramp; and
 - MTTES emitter sites and access roads.²¹
- 3.28 At the public hearing, Defence explained that emitters operating in remote areas will rely on satellite capability for communication and to record events.²²

Transport and car parking

- 3.29 During the site inspection, the Committee noted the dispersed nature of car parking at RAAF Base Amberley. At the public hearing, the Committee noted that the increase in personnel numbers forecast for RAAF Base Amberley warranted the need for a multi-storey car park. Nevertheless, the Committee expressed concern that it might be under-utilised, with personnel continuing to park at various locations on base in order to be close to worksites.

- 3.30 Defence responded to these concerns:

As we all saw yesterday, the current availability of on-grade car parking is inadequate for that central part of the base at the moment. I think that is acknowledged, and that is driven by the rather ad hoc parking patterns in that area because of the lack of available on-grade parking. As the brigadier has touched upon, the multi-level car park will replace current on-grade car parking and provide additional car parking capacity for the additional people.

Once that multi-level car park is constructed and opened, the parking requirements for those personnel working in that base will be enforced, so there is a purpose-built facility with adequate spaces to park a car. Our base leadership will enact more strict parking requirements around that area. For those members who do not abide by that requirement the necessary action will be taken against them to ensure that they follow and park their vehicles in the appropriate car parking spaces. Once that car parking is provided, a stricter regime can then be enforced for the base.²³

21 Defence, submission 1, pp. 23-24.

22 Group Captain Timothy Churchill, Defence, transcript of evidence, 4 November 2015, p. 5.

23 Air Commodore Scott Winchester, Defence, transcript of evidence, 4 November 2015, p. 11.

- 3.31 Additionally, the Committee noted that there were no public transport options between RAAF Base Amberley and Ipswich town centre. The Committee queried if there were any plans for a public transport system to be developed, given that RAAF Base Amberley employs a large number of local residents. Defence responded:

For the last 15 or 20 years there has been a deliberate decision to, on the whole...[have] the Defence Housing Authority provide [housing] within the broader community. For RAAF Base Amberley, there are houses throughout Ipswich and Springfield. Some members, including me, live in Brisbane and travel out to the base. We are dispersed. A public transport solution would be difficult to achieve because of the dispersed nature of Defence personnel around the broader community, either in their Defence provided residences or their own private residences – some people rent their own houses. There is no critical mass of houses.

- 3.32 Defence stressed the importance of the 24/7 cycle that the base operates on and how this impacts on transport needs of base personnel:

There are shift workers...You are not looking at an eight-to-five cycle all the time. Trying to devise a viable public transport solution to meet the needs of shift workers and a base population that is dispersed in the broader community would be very challenging. In addition to that, as you have seen, the base is quite dispersed, so having security cleared buses coming onto the base, again, is another factor that will need to be factored into that. Suffice to say, the vast majority of people will elect to make their own way to the base to meet their own shift requirements and personal requirements and then return to the home residence based on that.²⁴

Project delivery

- 3.33 Subject to Parliamentary approval of the project, construction at RAAF Base Amberley and Army Aviation Centre Oakey is expected to be delivered in two phases in order to align with the available funding for the project.²⁵
- 3.34 The first phase will commence in the first half of 2016, and will be complete by the end of 2017. It will deliver all facilities to meet the Growler's Initial Operating Capability.²⁶

24 Air Commodore Scott Winchester, Defence, transcript of evidence, 4 November 2015, p. 12.

25 Defence, submission 1, p. 38.

26 Defence, submission 1, p. 38.

- 3.35 The second phase is expected to commence in the second half of 2020, and will be complete by mid-2021. It will deliver all facilities to meet the Growler's Final Operating Capability.²⁷
- 3.36 At the public hearing the Committee noted that the first Growler aircraft is scheduled to be delivered before the project's initial phase has been completed. Defence assured the Committee that the aircraft will be stored in existing shelters until completion of the first phase, but noted these structures were unable to house all 12 aircraft in the long-term.²⁸
- 3.37 Subject to the separate Parliamentary approval of the Delamere Air Weapons Range Redevelopment Project, Northern Territory (see Chapter 4), construction at Delamere is expected to commence in the first half of 2016 with construction completed by the first half of 2018.²⁹
- 3.38 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Environmental considerations

- 3.39 A site assessment at Delamere identified two threatened species of birds, the Gouldian Finch and the Crested Shrike-tit.³⁰ Two emitter sites were moved to alternate sites due to the presence of Gouldian Finch habitats.³¹
- 3.40 At the public hearing, the Committee queried what steps Defence had in place to monitor the birds. Defence's Project Manager advised that, during the construction phase, bird spotters would be engaged to ensure the birds' continued safety.³²

Community consultation

- 3.41 In accordance with its community consultation and communications strategy, Defence undertook the following consultative activities:
- detailed email correspondence with local groups and State and Federal members, with individual briefings conducted where requested;
 - notices in the local newspapers providing information on opportunities for the public to comment on issues relating to the project; and
 - a public consultation session held on 14 October 2015.³³

27 Defence, submission 1, p. 38.

28 Group Captain Timothy Churchill, Defence, transcript of evidence, 4 November 2015, p. 2.

29 Defence, submission 1, p. 38.

30 Defence, submission 1, p. 10.

31 Defence, submission 1, p. 17.

32 Mr Lindsay Murray, Defence, transcript of evidence, 4 November 2015, p. 6.

33 Defence, submission 1.2, pp. 1-13.

- 3.42 At the public consultation session, Defence responded to a number of issues, including questions from potential contractors about the tendering process and trade packages. An overview of this process and the procurement methodology was presented and further queries directed to the Managing Contractor.³⁴

Cost of the works

- 3.43 The estimated cost of the project is \$348.6 million, excluding GST.
- 3.44 At the public hearing, the Committee sought assurances that construction of the new aircraft apron would achieve best value for money. The Managing Contractor's representative stated:
- In determining that we are going to deliver it at the best value level, prior to going out to tender and as part of our development of our costs, we get market pricing. We generally go out to two or three providers in the marketplace so that we get contemporary pricing on the work and, in addition to that, we will do benchmarking against other projects. We have undertaken this for this project...³⁵
- 3.45 During the in-camera hearing, the Committee sought assurances that the phased approach to project delivery would not increase project costs unreasonably. Defence provided evidence and the Committee was subsequently satisfied.
- 3.46 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.
- 3.47 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

- 3.48 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.

34 Defence, submission 1.2, p. 14.

35 Mr Brendan Sowry, Lend Lease, transcript of evidence, 4 November 2015, pp 7-8.

- 3.49 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

- 3.50 **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: Growler Airborne Electronic Attack Capability Facilities Project.**
- 3.51 Due to the scale and phased approach of the project, the Committee requires Defence to provide it with a mid-term status report on completion of phase one.

Recommendation 3

- 3.52 **The Committee requires the Department of Defence to provide a mid-term status report on completion of the first phase of the project which is to deliver facilities to meet the EA-18G Growler aircraft initial operating capability.**
- 3.53 Proponent agencies must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.

Delamere Air Weapons Range Redevelopment Project, Northern Territory

- 4.1 The Department of Defence (Defence) seeks approval from the Committee to undertake redevelopment works at the Delamere Air Weapons Range (Delamere) in the Northern Territory.
- 4.2 Delamere is the primary range for the Royal Australian Air Force (RAAF) and has been in service since 1988. It is currently used for training in air weapons, special operations and ground defence for Australian Defence Force units and foreign forces.¹
- 4.3 The primary objective of the project is to provide fit for purpose facilities and infrastructure that is capable of supporting Delamere's current and future operational requirements.²
- 4.4 The estimated cost of the project is \$74.4 million, excluding GST.
- 4.5 The project was referred to the Committee on 17 September 2015.

Conduct of the inquiry

- 4.6 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 4.7 The Committee received one submission and three supplementary submissions from Defence. A list of submissions can be found at Appendix A.
- 4.8 The Committee received a briefing from Defence and conducted public and in-camera hearings at Ipswich on 4 November 2015. The Committee conducted the hearings for this project in Ipswich while it was there in relation to other Defence projects, as discussed in Chapters 2 and 3. A

1 Defence, submission 1, pp. 1-2.

2 Defence, submission 1, p. 11.

transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.³

Need for the works

- 4.9 Following a review in 2012, Delamere's Training Area Capability Board identified three major deficiencies:
- existing facilities are located within weapons danger areas and therefore limit operations and activities;
 - boundary fencing is not adequately secured or signposted; and
 - existing infrastructure and roads require upgrading.⁴
- 4.10 The Board concluded that a redevelopment was needed to support future requirements. Further, the Chief of the Air Force confirmed that Delamere was likely to see a future increase in exercise activity and requirements from Australia's coalition partners.⁵
- 4.11 Therefore, proposed works will include improving boundary security, upgrading infrastructure, road networks and the airfield and relocating facilities to increase space for target and weapons training.⁶
- 4.12 Additionally, a Mobile Threat Training Emitter System (MTTES) will be installed at Delamere and will expand the range's capability. This work falls under the Growler Airborne Electronic Attack Capability Facilities Project (Growler Project)⁷ and is discussed in Chapter 3.
- 4.13 At the public hearing the Committee sought clarification regarding Defence's priorities, given that aspects of two different projects are planned for Delamere. Defence responded:

The MTTES infrastructure needs to be completed by December 2018 in order to meet the MTTES ready-for-training milestones in 2019. What we are trying to do is capture efficiencies for the two projects that will be going on. That will then assist the MTTES, making sure we are ready for those milestones for the initial operation capability for the airborne electronic attack aircraft from July 2018 onwards.⁸

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

4 Defence, submission 1, p. 3.

5 Defence, submission 1, p. 1.

6 Defence, submission 1, p. 3.

7 Defence, submission 1, p. 1.

8 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 4.

4.14 The Committee also heard that the majority of the facilities at Delamere have been in place since 1988.⁹

4.15 The Committee is satisfied that the need for the work exists.

Options considered

4.16 In addition to poor location, many of the existing facilities have deteriorated and no longer meet current building standards or functional requirements. Consequently, Defence has determined that they are not suitable for reuse.¹⁰

4.17 Defence's preferred option is, therefore, to construct new facilities near the range's existing entry and to relocate all supporting capabilities and infrastructure accordingly.¹¹

4.18 The Committee notes that Defence investigated the option of reusing existing facilities, but found this would be neither practical nor cost-effective. The Committee accepts that Defence has chosen the most suitable option.

Scope of the works

4.19 Defence has separated the work into nine scope elements:

4.20 **Scope Element 1 – Range Control Accommodation**

This will include a central kitchen, dining and gym facility, recreation rooms for permanent and visiting personnel, permanent staff and visitor accommodation; and covered walkways.¹²

4.21 **Scope Element 2 – Range Operations Centre**

A range operations centre, explosive ordnance store and helipad are proposed as well as necessary fencing and access control.¹³

4.22 **Scope Element 3 – Maintenance Areas and Workshops**

This will include a new maintenance building, refuel point and wash bay and ramp.¹⁴

4.23 **Scope Element 4 – Site Wide Infrastructure**

This will include civil and landscaping site works, relocation and replacement of communications and security, new bores for water supply

9 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 3.

10 Defence, submission 1, p. 6.

11 Defence, submission 1, p. 6.

12 Defence, submission 1, pp. 12-14.

13 Defence, submission 1, pp. 14-15.

14 Defence, submission 1, pp. 15-16.

and distribution and new gas, fire, sewerage and stormwater systems. It will also include a new Central Power station to be a hybrid solar and diesel system.¹⁵

4.24 Scope Element 5 – Alternative High Explosive Impact Area

A new impact area and target scoring system are required to support training requirements.¹⁶

4.25 Scope Element 6 – Road Network

Upgrades to six essential roads are proposed: main access roads (1, 2A and 2B); and target access roads (12, 13 and 14).¹⁷

4.26 Scope Element 7 – Boundary Fence

Approximately 200km of fencing needs to be constructed or upgraded. This will include associated firebreaks.¹⁸

4.27 Scope Element 8 – Airfield

This will include repairing or replacing the turning node, airfield markers, existing apron and surrounding shoulders.¹⁹

4.28 Scope Element 9 – Demolition and Remediation

This will comprise demolition of the existing Range Control Complex and surrounding facilities.²⁰

4.29 At the public hearing, the Committee was shown images of deteriorating boundary fences, the high explosive impact area and the proposed Central Power station and solar farm.

4.30 Defence told the Committee that a new slip lane will be constructed to allow trucks to safely turn off the Buntine Highway into Delamere. The majority of these works will be included under the Growler Project; however the mid-range intersection will be funded under the current project.²¹

4.31 During the public hearing, the Committee commented on the internal road network, especially with regard to ease of access to the proposed accommodation facilities. Defence assured the Committee that the

15 Defence, submission 1, pp. 16-18.

16 Defence, submission 1, pp. 18-19.

17 Defence, submission 1, pp. 19-20.

18 Defence, submission 1, p. 20.

19 Defence, submission 1, pp. 20-21.

20 Defence, submission 1, p. 21.

21 Mr Kieran Sarri, Lend Lease, transcript of evidence, 4 November 2015, p. 5.

proposed site is on a sealed access road which leads to Delamere's range area.²²

- 4.32 Subject to Parliamentary approval of the project, construction is expected commence in mid 2016 and be completed by mid 2018.²³
- 4.33 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Safety considerations

- 4.34 Having seen photographs showing the poor state of the boundary fence, the Committee queried what security measures were in place to ensure the safety of personnel during weapons testing. Defence assured the Committee that extra security measures, such as sentries, are employed under these circumstances.²⁴
- 4.35 The Committee also expressed concern regarding changes to the inner test-range boundary at Delamare, but was subsequently assured that this posed no threat to safety of anyone in the vicinity.²⁵

Traditional owners

- 4.36 The range includes a number of sites significant to the traditional owners, the Wardaman people and is subject to an Indigenous Land Use Agreement.²⁶
- 4.37 Defence has sought a capability statement from the traditional owners to ensure those with relevant skills are aware of contractual opportunities.²⁷
- 4.38 At the public hearing, the Committee also heard about the Indigenous procurement policy that is in place:

...the new Indigenous procurement policy was released by government earlier this year. It requires us to address, in a twofold manner, Indigenous procurement very particularly... The first is a mandatory set-aside. For any contracts between \$80,000 and \$200,000, we need to first consider if there are any Indigenous organisations that may be able to fill those services. That is a mandatory part of the policy that came in on 1 July this year, so that will be applied to the construction phase of the project.

22 Group Captains Ian Browning and Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 8.

23 Defence, submission 1, p. 30.

24 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 2.

25 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 2.

26 Defence, submission 1, p. 9.

27 Defence, submission 1, p. 9.

The second part of the Indigenous procurement policy is a minimum participation. That is done either at project level – achieving a certain number of Indigenous personnel or Indigenous companies contracted specifically for this project – or at an organisational level. The delivery contractor may undertake to employ a certain percentage of Indigenous personnel more broadly across their organisation and meet the policy in that manner. That is in addition to the [Indigenous Land Use Agreement].²⁸

4.39 Under the Commonwealth Procurement Rules, small and medium-sized Indigenous businesses may bid for contracts without participating in the expensive competitive tender process.²⁹ With regards to the proposed works at Delamere, Defence stated:

There is an opportunity there to employ small and medium-sized Indigenous or majority Indigenous companies; we are talking about 50-plus per cent Indigenous companies.³⁰

4.40 Defence is also liaising closely with the Regional Economic Development Committee in Katherine, Northern Territory, as a way of ensuring that Indigenous businesses have a chance of being involved.³¹

4.41 Mr Bill Harney, a member of the Wardaman people, attended the public hearing. Mr Harney told the Committee that while no one knew what the long-term results would be at the beginning the RAAF's presence in the Northern Territory did prove to be a good benefit for the local community.³²

4.42 Mr Harney also spoke of his own participation in constructing RAAF facilities:

They asked for an Aboriginal contractor and I put my hand up. I did all the fencing all around there in Delamere and the RAAF in Tindal. I built the camp, engine run-up, bomb shelter and a radar strike at Tindal. I had done all that. I had done a big one in Delamere bombing range. Then we went inside to declare all the sites and we took some of the old people out there to have a look and to explain it to them. They told me, 'Speak up, you know the country.' They sat back and listened and we declared all the sites

28 Mr James Taylor, Point Project Management, transcript of evidence, 4 November 2015, pp. 6-7.

29 Group Captain Ian Browning, Defence, transcript of evidence, 4 November 2015, p. 7.

30 Group Captain Ian Browning, Defence, transcript of evidence, 4 November 2015, p. 7.

31 Mr James Taylor, Point Project Management, transcript of evidence, 4 November 2015, p. 7.

32 Mr Bill Harney, Wardaman traditional owner, transcript of evidence, 4 November 2015, p. 9.

around and everything ready for people to go ahead and to put anything they want on it. That is what we were doing.³³

Community consultation

4.43 In accordance with its community consultation and communications strategy, Defence undertook the following consultative activities:

- detailed email correspondence with local groups and State and Federal members, with individual briefings conducted where requested;
- notices in the local newspapers providing information on opportunities for the public to comment on issues relating to the project; and
- a public consultation session held on 14 October 2015.³⁴

4.44 At the public consultation session, Defence responded to a number of issues, including a question from representatives of the Katherine Town Council about water quality in the surrounding area. Defence explained that water will be tested and a treatment plant will be constructed to produce drinking water that meets necessary standards.³⁵

Use by foreign forces

4.45 Foreign forces and Australia's coalition partners use Delamere for air weapons and special operations training and ground defence exercises.³⁶ The Chief of the Air Force has confirmed that this use is likely to increase.³⁷

4.46 At the public hearing, the Committee queried whether Australian forces might be displaced by this increase, Defence responded:

From an operational perspective, the Australian forces would always take precedence over visitors to the range. There is a schedule of events. It is planned from one of our senior headquarters. That gives an indication. Under international engagement agreements, between the governments of Australia and some of the countries that come in and use the range, they are able to go in at set dates. They are always deconflicted with Australia's needs first, however, because of the forces that we might have to train to go overseas and conduct missions.³⁸

33 Mr Bill Harney, Wardaman traditional owner, transcript of evidence, 4 November 2015, p. 8.

34 Defence, submission 1.2, pp. 1-8.

35 Defence, submission 1.2, p. 9.

36 Defence, submission 1, p. 9.

37 Defence, submission 1, p. 1.

38 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 4.

4.47 The Committee also heard while cost-recovery arrangements may be in place for some foreign forces, this is not the case for all foreign forces. For example, the United States accesses Delamere free of charge.³⁹

4.48 In response to a question around cultural awareness training for visiting forces, Defence stated:

They get two briefings. One is the ground based brief. That will talk about all the safety issues; living and operating in the Northern Territory; environmental, cultural and heritage issues – that is by a team of specialist staff. As an aside, the Australians get that as well if they are not used to working up in the Northern Territory. The second briefing includes an air capability safety brief from the range control officer who is responsible for Delamere Air Weapons Range. That briefing will make sure that they are aware of all the neighbouring cattle stations, heights, restrictions...and things like that. If we do get any issues – and I am in contact with all of those landowners; they have my number – I address it at that time. But hopefully, with the parameters we have put in place with those briefings, we will not encounter any issues.⁴⁰

Environmental considerations

4.49 A site assessment at Delamere identified two threatened species of birds, the Gouldian Finch and the Crested Shrike-tit.⁴¹ See Chapter 3 for discussion.

Cost of the works

4.50 The estimated cost of the project is \$74.4 million, excluding GST.

4.51 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.

4.52 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.

39 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 3.

40 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 4.

41 Defence, submission 1, pp. 7-8.

Committee comments

- 4.53 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.
- 4.54 The Committee notes that the majority of the facilities at Delamere have been in use since 1988 and have therefore provided the taxpayer with value for money. The Committee expects the new facilities will also provide adequate longevity.
- 4.55 The Committee also notes that Defence continues to engage with the traditional owners and neighbouring communities.
- 4.56 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 4

- 4.57 **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: Delamere Air Weapons Range Redevelopment Project, Northern Territory.**
- 4.58 Proponent agencies must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.

Senator Dean Smith

Chair

26 November 2015



Appendix A – List of Submissions

Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland

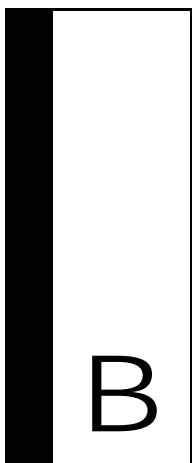
1. Department of Defence
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 - 1.2 Department of Defence
 - 1.3 Confidential

Growler Airborne Electronic Attack Capability Facilities Project

1. Department of Defence
 - 1.1 Confidential
 - 1.2 Department of Defence
 - 1.3 Confidential

Delamere Air Weapons Range Redevelopment Project, Northern Territory

1. Department of Defence
 - 1.1 Confidential
 - 1.2 Department of Defence
 - 1.3 Confidential



Appendix B – List of Hearings and Witnesses

Battlefield Airlifter Facilities Project, Royal Australian Air Force Base Amberley, Queensland

Tuesday, 3 November 2015 – Ipswich

Public Hearing

For Department of Defence

Brigadier Noel Beutel, Director General, Capital Facilities and Infrastructure, Department of Defence

Air Commodore Scott Winchester, Senior Australian Defence Force Officer Amberley, Department of Defence

Mr Christopher Sankey, Capital Facilities and Infrastructure Project Director, Department of Defence

Wing Commander Daniel Rich, Acting Director C-27j Transition Team (Air Force), Department of Defence

Mr Robert Vines, Managing Contractor's Representative, Laing O'Rourke

Mr David Tranthem, Senior Project Manager, Point Project Management

In-Camera Hearing

Six witnesses

Growler Airborne Electronic Attack Capability Facilities Project

Wednesday, 4 November 2015 – Ipswich

Public Hearing

For Department of Defence

Brigadier Noel Beutel, Director General, Capital Facilities and Infrastructure,
Department of Defence

Air Commodore Scott Winchester, Senior Australian Defence Force Officer
Amberley, Department of Defence

Group Captain Timothy Churchill, Director Growler Transition Office (Air Force),
Department of Defence

Mr Lindsay Murray, Capital Facilities and Infrastructure Project Director,
Department of Defence

Mr Brendan Sowry, Managing Contractor's Representative, Lend Lease

Mr Peter Crunkhorn, Senior Project Manager, Point Project Management

In-Camera Hearing

Six witnesses

Delamere Air Weapons Range Redevelopment Project, Northern Territory

Wednesday, 4 November 2015 – Ipswich

Public Hearing

For Department of Defence

Group Captain Ian Browning, Capital Facilities and Infrastructure Executive
Group Captain Mark Larter, Senior Australian Defence Force Officer Tindal, Air
Force Director North West, Department of Defence

Mr Lindsay Murray, Capital Facilities and Infrastructure Project Director,
Department of Defence

Mr Kieran Sarri, Managing Contractor's Representative, Lend Lease

Mr James Taylor, Senior Project Manager, Point Project Management

Mr Bill Harney, Wardaman traditional owner

In-Camera Hearing

Five witnesses