

AIR 9000 Phase 5C Replacement Chinook Facilities Project, Townsville, Queensland

- 2.1 The Department of Defence (Defence) seeks approval from the Committee to provide the facilities and supporting infrastructure necessary to support the new F Model Chinook Medium Lift Helicopter capability.
- 2.2 The Replacement Chinook Facilities project proposes to provide new and upgraded facilities for the 5th Aviation Regiment at RAAF Base Townsville, Queensland, to support the introduction and operations of the new helicopters and associated integration systems.¹
- 2.3 The facilities proposed include those directly associated with the storage, security and maintenance of the new helicopters, as well as facilities for the indirect capability requirements such as working accommodation, training needs and infrastructure engineering services works.²
- 2.4 The project will enhance the Army's Land Force and Aviation capability by improving efficiencies in the delivery of the capability through the provision of either new or expanded and modified facilities.³
- 2.5 The project was referred to the Committee on 25 March 2014.

Conduct of the inquiry

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

1 Department of Defence (Defence), submission 1, p. 7.

2 Defence, submission 1, p. 7.

3 Defence, submission 1, p. 14.

- 2.7 The Committee received one submission and three supplementary submissions from Defence. A list of submissions can be found at Appendix A.
- 2.8 The Committee conducted an inspection, public hearing and in-camera hearing on the project on 22 May 2014 in Townsville. A transcript of the public hearing and the public submissions to the inquiry are available on the Committee's website.⁴

Need for the works

- 2.9 The purchase of new helicopters was approved by the Australian Government in February 2010. The Australian Army's existing fleet of CH-47D (D Model) Chinook helicopters will be replaced by seven CH-47F (F Model) Chinook helicopters, to address current and future capability deficiencies in the Chinook weapon system and maintain commonality with the United States Army F Model Chinook helicopters.
- 2.10 In addition to the weapon system upgrade, the F Model is a modern digital aircraft. The most significant upgrades included in the F Model Chinook, over its predecessor, are the introduction of a common avionics architecture system, an integrated digital avionics suite in the cockpit, and a digital flight control system.⁵
- 2.11 The new helicopters will be operated by the 5th Aviation Regiment at RAAF Base Townsville. Minor modifications to the helicopters will be undertaken at RAAF Base Townsville to suit unique Australian requirements.
- 2.12 There will be an increase in fleet size from six D Model Chinook helicopters to seven F Model Chinook helicopters.⁶
- 2.13 In addition to providing facilities for the new helicopters, the project will also:
- ... provide two transportable flight proficiency simulators to create an organic Chinook flight simulator flight capability for the Australian Defence Force and introduce an aviation mission planning system, or AMPS, to improve tactical and battlefield situational awareness on the flight deck.⁷

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

5 Defence, submission 1, p. 5.

6 Defence, submission 1, p. 5.

7 Brig. D Naumann, Defence, transcript of evidence, 22 May 2014, p. 1.

- 2.14 The transition to the new F Model Chinook helicopters will take place from May 2015. The current D Model Chinook helicopters will be progressively withdrawn from service starting in the first quarter of 2015, with the final D Model being withdrawn by first quarter of 2016.⁸
- 2.15 During its inspection, the Committee toured the existing, ageing facilities that support the D Model Chinook helicopters, as well as newer facilities that were purpose-designed for other helicopters.
- 2.16 The Committee notes that the ageing facilities that currently support the Chinook helicopters have significant space constraints and a much less efficient and effective layout, when compared to the newer, purpose-designed facilities for other helicopters.
- 2.17 The Committee is satisfied that there is a need for the works.

Scope of the works

- 2.18 The project contains five scope elements:
- Headquarters C Squadron Facility;
 - Chinook Maintenance Facilities;
 - Chinook Training Facilities;
 - Engineering Services Infrastructure; and
 - Interim works.⁹
- 2.19 The project includes both new and refurbished facilities to meet the administrative, maintenance and training needs for the new aircraft.¹⁰
- 2.20 Interim works are required to ensure that operational capability is not compromised while the project is delivered:
- ... one of the key requirements that we have under this project is that in delivering the new Chinook capability into the ADF we need to maintain a Chinook capability in the ADF. So, we needed to ensure that as we built new facilities we had the ability for 5th Aviation Regiment to continue to conduct Chinook aviation operations. So, there was a need to ensure that we staged

8 Defence, submission 1, p. 5.

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

10 Defence, submission 1, p. 7.

construction appropriately such that flying capability could continue.¹¹

2.21 The interim works will comprise the following:

We are proposing to do a minor fit-out to a demountable facility, as shown on the site inspection. That is to cater for the flight line crew while the maintenance facility is being demolished and constructed. That will also accommodate the new equipment planning phase for the transportable flight proficiency simulators. For the technical support squadron, we are not proposing to conduct any temporary works. That facilities component of the western annexe of the new maintenance facility will be constructed as a stand-alone facility and then built onto the site of that afterwards, so we do not need any temporary accommodation.

For the maintenance hangars themselves, we are proposing to complete minor works to the Chinook shelters to the north of the hangar. This will accommodate three maintenance areas, and we propose to fit-out minor works to the flooring with an epoxy solution.¹²

2.22 Construction is expected to commence in late 2014. All major works are expected to be completed by mid-2017.¹³

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

Cost of the works

2.24 The estimated cost of the project is \$54.8 million, excluding GST.¹⁴

2.25 Defence provided detail on the project costs in its confidential submissions and during the in-camera hearing.

2.26 The Committee considers that the costs estimates for the project have been adequately assessed by the proponent agency. 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.

11 Brig. D Naumann, Defence, transcript of evidence, 22 May 2014, pp. 1-2.

12 Mr J Thompson, Defence, transcript of evidence, 22 May 2014, p. 2.

13 Defence, submission 1, p. 24.

14 Defence, submission 1, p. 24.

Committee comments

- 2.27 The Committee thanks Defence staff and personnel who participated in the inspection.
- 2.28 The Committee also commends Defence for providing clear and comprehensive information in the submissions and hearings for the inquiry.
- 2.29 The Committee did not identify any issues of concern with the proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 2.30 Proponent agencies must notify the Committee 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 template for the report can be found on the Committee's website.
- 2.31 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 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: AIR 9000 Phase 5C Replacement Chinook Facilities Project, Townsville, Queensland.

