



Australian Government

Defence

CULTANA TRAINING AREA REDEVELOPMENT PHASE 2

Cultana Training Area, South Australia

STATEMENT OF EVIDENCE TO THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

November 2022

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Cultana Training Area Redevelopment Phase 2

1. The purpose of this Statement of Evidence is to provide information to the Australian public to comment on, and the Parliamentary Standing Committee on Public Works to enquire into, proposed works under the Cultana Training Area Redevelopment Project Phase 2 (the Project).

Executive Summary

2. The aim of the Project is to provide fit-for-purpose facilities and infrastructure at the Cultana Training Area to increase training area safety, usability and complexity of the training provided.

3. The Project will extend the all-weather road network, provide a permanent vehicle live fire training facility, establish ammunition transfer points and upgrade the Urban Operations Training Facility.

4. The estimated total capital out-turned cost of the Project is \$79.8 million (excluding Goods and Services Tax). The cost estimate includes project management and design fees, construction costs, information and communications technology, fittings, equipment, risk provision and an allowance for escalation. There will be increased operating costs as a result of the Project. No revenue is expected to be generated by these works.

5. Public value and economic benefit to the community have been considered, and Defence anticipates that the Project will promote employment opportunities, including for local industry in the surrounding regional area. There will also be opportunities for Indigenous business involvement in accordance with the Government's Indigenous Procurement Policy.

6. All works will be designed and constructed in accordance with the relevant legislation, standards, codes, guidelines and Defence policy. Accredited building certifiers will certify the compliance of the design and completed works.

7. Environmental and heritage investigations have been completed and the Project will not have a significant impact on existing environmental and heritage values.

Purpose of the Works

Aim and Location of the Project

8. The aim of the Project is to provide fit-for-purpose facilities and infrastructure to improve the safety, usability and complexity of training delivered at the Cultana Training Area, which is located between Whyalla, Port Augusta and Iron Knob in South Australia.

Need for the Project

9. The Australian Defence Force requires training areas in Australia that can support multiple Defence units operating concurrently to achieve training outcomes safely. The Cultana Training Area is in an ideal location in South Australia for training to occur. It provides the appropriate terrain and space to achieve the training outcomes in a climate that allows training all year-round.

10. The western sector of the Cultana Training Area is yet to fully meet master planned facilities requirements to support complex training. This area has limited infrastructure to support and deliver urban training and vehicle activities, reducing usability and functionality.

11. In August 2006, the Government announced its intention to increase the size and capacity of the Australian Army under an initiative known as the Enhanced Land Force Program. Under the program, enabling capabilities would, amongst other drivers, sustain increases in the delivery of collective training capability.

12. The 2020 Defence Strategic Update states that Australian Defence Force will require increased preparedness. This is further supported in the 2020 Force Structure Plan and Government's ongoing investment in enhancing Defence training areas and facilities, and developing ranges to support multiple training environments. This Project supports that requirement.

Proposed Facilities Solution

13. Defence has undertaken comprehensive master planning, site investigations, stakeholder consultation, whole-of-life cost analysis and design development to identify the capital facilities and infrastructure works required to be delivered under the Project.

Options Considered

14. Three options were assessed with regards to delivering a combination of new and upgraded training environments:
- a. **Option 1 – Do Nothing.** This option provides no reinvestment at the training area and does not enhance current and future training capability requirements. Also, this option does not meet sustainment objectives or mitigate safety considerations of remote areas within the training area.
 - b. **Option 2 – Capability and Safety.** This option will deliver the appropriate infrastructure for range safety and increase the training area's usability.
 - c. **Option 3 – Full Scope.** This option will deliver the scope under Option 2 and the items listed in the "Below the Line Items" section of this document, as well as additional enabling infrastructure to support training outcomes.
15. Option 2 is assessed as the preferred option, representing the best value for money solution to the Commonwealth to address the need from a whole-of-life perspective. Option 2 will deliver the highest priority scope elements endorsed by the Project Sponsor and key user stakeholders. Option 2 compliments the work that has been delivered by previous projects listed under the "Related Projects" section.

Scope of Works Proposed for the Preferred Option

16. The scope of works proposed under the preferred Option 2 includes:
- Serial 1 – Roads.** All-weather unsealed road infrastructure to meet medical evacuation requirements and to provide suitable access to current and additional training facilities. Roads will be constructed for both heavy wheeled and tracked vehicles.
- a. **Serial 2 – Permanent live fire training facility.** A new Range to support live firing from vehicles and dismounted personnel to enable joint and combined Defence activities.
 - b. **Serial 3 – Ammunition Transfer Points.** Infrastructure to facilitate field storage and distribution of ammunition for units during training activities.
 - c. **Serial 4 – Enhance Urban Operations Training Facility Tier 1 to Tier 2.** Enhance the existing Tier 1 Urban Operations Training Facility to a Tier 2 facility. This will include a combination of multi-storey and multi-room environments in a

mix of residential and commercial buildings, to enable training within the facility. An upgraded Tier 2 facility will also support an increase in the number of teams able to train concurrently in the facility, and provide an increased level of complexity for training activities.

Planning and Design Concepts

17. The general philosophy for the design of the proposed works is based on:
 - a. providing cost-effective, functional, low maintenance and energy efficient designs compatible with proposed functions and existing aesthetics
 - b. adopting where possible, conventional construction techniques and materials commonly used by the construction industry and consistent with those already used
 - c. applying appropriate durability measures to reduce ongoing maintenance and achieve the proposed design life
 - d. promoting, where possible, a sustainable solution responding to local climate, considering the full life cycle of the facilities and infrastructure
 - e. providing flexible services and infrastructure to accommodate an appropriate level of growth
 - f. meeting the functional requirements for facilities and infrastructure being provided
 - g. improving the current training environment for optimal use, and improving the training outcomes for the Australian Defence Force.

Relevant Legislation, Codes and Standards

18. The following legislation, standards, codes and guidelines are applicable:
 - a. *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)*
 - b. *Fair Work (Building Industry) Act 2012 (Cth)*
 - c. *Work Health and Safety Act 2011 (Cth)*
 - d. *Disability Discrimination Act 1992 (Cth)*
 - e. *Fair Work Act 2009 (Cth)*
 - f. National Construction Code - Building Code of Australia

- g. Safe Work Australia Codes of Practice
- h. Defence Estate Quality Management System
- i. Defence Smart Infrastructure Manual
- j. Defence Manual for Infrastructure Engineering – Electrical
- k. Defence Manual of Fire Protection Engineering
- l. Defence Security Principles Framework
- m. Defence Estate Principles of Development
- n. Defence Explosive Regulations.

19. An accredited Building Certifier will certify the compliance of the design and the compliance of the completed works. Construction compliance with the design shall be assured using approved quality management systems which will implement processes including independent inspections, audits and testing.

Land, Zoning and Leasing

20. Four Indigenous groups have a connection with the Cultana Training Area:

- a. Barngarla
- b. Kokotha
- c. Kuyani
- d. Nukunu.

21. Negotiation with these Indigenous groups since 2005, have culminated in the register of the Indigenous Land Use Agreement with Barngarla on 28 June 2013. The Agreement involved consultation with all four Indigenous groups and prescribes access and use conditions to the Cultana Training Area that have been considered in the siting and development of the facilities options.

22. The western sector of the training area, where the proposed scope of works will be constructed, was acquired by the South Australian Government through the acquisition of Pastoral Leases in 2014. It is currently leased to the Department of Defence through a Miscellaneous Lease for Defence Purposes entered into on 20 June 2014.

23. Defence acknowledges that the South Australian Government has obligations in respect of mining/energy resource interested in the leased area. The Project is obliged to develop and deliver facilities in accordance with the conditions of the lease.

24. The Project will not deliver scope that will provide an investment into any existing infrastructure such as:

- a. high voltage electrical lines
- b. sewer and stormwater infrastructure
- c. road and rail infrastructure.

25. All proposed work are currently sited on land leased by the Commonwealth for use by the Australian Defence Force. A secondary site is being considered for Serial 2 in the above “Scope of Works Proposed for the Preferred Option” section that will change the siting of the proposed facility to the eastern sector onto land owned by the Commonwealth. However this change is still subject to Departmental Approval

Structure

26. All structures to be delivered under the Project have been designed according to the local geotechnical profile and will suit the localised weather conditions. Large multi-story structures will be constructed of reinforced concrete panel structures with suspended reinforced concrete floor slabs. Smaller single-story structures will adopt a lighter steel framed and clad construction method. Roofs will be constructed of either a suspended reinforced concrete slab or steel frame depending on the arrangement of each structure.

27. All roofs will be appropriately watertight to meet the environment. Non-load bearing internal walls will be constructed of a cold formed steel framing system with lining to provide maximum flexibility in future layout. All structures will be designed to be resilient to the corrosion within a coastal environment following Australian Standard code requirements due to the location of the Project on the Eyre Peninsula of South Australia.

28. Additional smaller structural elements will be delivered at the locations of the ammunition transfer points and the vehicle firing range. These include reinforced concrete slabs with structural steel frames for shelters, sentry points and control towers.

Mechanical Services

29. Mechanical services have been designed according to the function and needs of each building. The proposed mechanical services will meet specific user needs, relevant

ventilation, thermal comfort and air quality requirements and the mandatory requirements of the National Construction Code.

Civil Infrastructure

30. Road networks will be constructed to be an all-weather resistant designed for safe access throughout the year. The road pavement has been designed to meet Australian Standards and the South Australian Department for Infrastructure and Transport requirements. All designs have been specified to be durable and long lasting with general maintenance and upkeep required each year.

Hydraulic Services

31. Hydraulic services have been designed to ensure that all pits, pipes, drains and culverts are designed for a 100-year lifespan. All stormwater pits will discharge into the earth graded swale via reinforced concrete stormwater pipes and pits. All pipe sizes and swales will be graded to ensure that all stormwater will discharge efficiently under peak flow.

Electrical Services

32. Lighting, power and lightning protection will be provided in accordance with Australian Standards and Defence engineering requirements. The Project scope deliver minimal electrical infrastructure with the Ammunition Transfer Points providing switchboards and a connection for an external generator to be connected during training exercises. Additionally, the ammunition transfer points will house explosive ordnance during a training exercise, the structures have been designed to be electrically insulated with earthing systems to meet the Manual of Infrastructure Engineering – Electrical and the Defence Explosive Ordnance Publication 101.

33. No metering or sub-metering has been included in the scope as well as no requirement to include a building management system into the design.

Fire Protection

34. Fire protection has been addressed through compliance with the Manual of Fire Protection Engineering, and the National Construction Code of Australia. The Project has assessed the asset classification and criticality in order to determine the fire protection systems to be implemented in all facilities. Under the requirements of the *Environmental Protection and Biodiversity Conservation Act* the design and construction of the works will

require management plans to protect native flora and fauna from any instances that may result in bushfires.

35. Each ammunition transfer points will include a 25,000 Litre water storage tank to provide the firefighting capability to these points due to the storage of explosive ordnance during training exercises. These tanks have also been provisioned with connections that meet the Metropolitan Fire Services, Country Fire Services Bushfire Protection requirements.

Work Health and Safety

36. The Project will comply with the *Work Health and Safety (WHS) Act 2011 (Cth)*, Work Health and Safety (Commonwealth Employment – National Standards) Regulations, and relevant Defence policies. In accordance with Section 35 (4) of the *Building and Construction Industry Improvement Act 2005 (Cth)*, contractors will be required to hold full work health and safety accreditation from the Office of the Federal Safety Commissioner under the Australian Government Building and Construction Work Health and Safety Accreditation Scheme.

37. Safety aspects of the Project are being addressed during the design development process and documented in a safety in design report. A work health safety plan will be developed for the construction phase prior to the commencement of any construction activities. All ranges have will be designed to align with an approved user requirements brief and functional design brief. This has ensured that the safety of all users has been incorporated into the design.

Materials and Furnishings

38. External walls for new buildings will be for a coastal environment for corrosion protection. Windows will remain open to meet the operational training requirements of the structures. Where required, pre-finished steel roofing and rainwater fittings have also been selected for their resilience to a coastal environment.

39. The ammunition transfer points structures will be steel framed and steel-clad structures that will also be designed requirements for a coastal environment for corrosion protection.

40. Due to the usage and training requirements of the buildings, the Urban Operations Training Facility and ammunition transfer points will be unfurnished facilities.

Landscaping

41. Where required, landscaping will complement and enhance the character of each site and will be used to reduce erosion of the surrounding natural topography. The design will focus on a functional, low maintenance, water sensitive approach with the use of Indigenous plants. Precautions will be taken to avoid compromising environmental sensitivities by adopting landscaping practices in accordance with local environmental conditions and the Construction Environmental Management Plan. Any landscaping works will be limited to the revegetation of disturbed areas using drought tolerant species native to the area.

Childcare Provisions

42. There is no requirement for childcare facilities under the Project.

Provisions for People with Disabilities

43. Access for people with disabilities will be provided in accordance with the Building Code of Australia, Australia Standard 1428 and the *Disability and Discrimination Act 1992 (Cth)* where applicable.

Environmental Sustainability

44. Defence is committed to ecologically sustainable development and reducing greenhouse gas emissions and has adopted cost effective measures as a key objective in the design and development of the proposed works. These include:

- a. **Energy targets.** The Project will meet the requirements of the Defence Building Performance Manual which sets out Defence policy and requirements for energy and resource efficiency to reduce greenhouse gas emissions for Defence buildings. The scope of the Project works will not deliver buildings that are classified as Class 5 or 9b structures (office and residential use structures) under the National Construction Code and will not be required to meet the Commonwealth Energy Efficiency in Government Operations policy. The Project will adopt measures during design to minimise waste in all design elements.
- b. **Measures to reduce energy and water use.** As the scope of the Project works does not include the delivery of new office or accommodation structures there will be no construction of a potable water supply. Wastewater and stormwater design have adopted the principles of water sensitive urban design.

- c. **Re-use of existing structures.** All scope for the Project works will be new infrastructure. Some works delivered under the ‘Related Projects’ section further below will be expanded with delivery of this new scope. These works include all-weather road network, and the Urban Operations Training Facility.
- d. **Demolition and disposal of existing structures.** All scope for the Project works will be new infrastructure as no existing infrastructure is present on site for demolition.

45. Defence has undertaken an extensive environmental review with an initial environmental report completed in 2016. An addendum to the environmental report was completed in December 2021 to review and confirm that the proposed scope of works will have no impacts on the environment as a result of regulatory change.

Potential Impacts

46. Defence has conducted assessments to identify potential environmental and local community impacts and propose suitable mitigation measures. These include:

- a. **Visual Impacts.** The site is remotely located within the South Australian Eyre Peninsula. Works across the site are not visible to the general public nor are they accessible to public use. All works have been designed to minimise the aesthetic impact to the natural environment.
- b. **Noise Impacts.** The new infrastructure would be delivered in a remote location. The selection criteria for the location of the new infrastructure follows standard range control requirements where no training is to be conducted within a 1 km zone of the training area boundary. Any noise complaints that arise during training operations will be managed through the range control standard procedure for response to public concerns.
- c. **Heritage Impacts.** Heritage surveys have been completed during the investigation of the design. All work sites have been selected to not impact heritage sites. Road infrastructure has been designed to be diverted away from heritage artefacts. During construction if a heritage artefact is discovered, the Head Contractor will be required to comply with Defence’s heritage finds process as will be outlined in the contractor’s environmental management and heritage plan.
- d. **Traffic, Transportation and Road Impacts.** The road infrastructure will be primarily located within the Defence leased land of the Cultana Training Area

with minor tie-ins to existing road infrastructure. Where these tie-ins occur, the Project has liaised with the South Australian Department for Infrastructure and Transport.

- e. **Relevant Local Facilities.** The Project will not impact any local facilities due to the remote nature of the site.

47. Defence has determined that the Project will not have a significant impact on existing environmental and heritage values and is not required to be referred to the Minister for the Environment and Water under the *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)*.

Consultation with Key Stakeholders

48. Defence has developed a community consultation and communications strategy that recognises the importance of providing local residents and other interested stakeholders an opportunity to provide input into, or raise concerns relating to, the proposed works.

Defence has engaged with a variety of internal and external stakeholders during Project development to date, and further consultation will be conducted to support the Parliamentary Standing Committee on Public Works' inquiry into the proposed works. These stakeholders include

- a. Mr Darren Sheriff, Chair Chamber of Commerce, Port Augusta (SA)
- b. Mr Malcolm McLeod, President Chamber of Commerce, Whyalla (SA)
- c. Mr Rowan Ramsey MP, Federal Member for Grey (SA)
- d. Hon Geoffrey Brock MP, State Member for Stuart (SA)
- e. Mr Eddie Hughes MP, State Member for Giles (SA)
- f. Regional Development Australia and Regional Development Australia Eyre Peninsula
- g. Barngarla Aboriginal Corporation
- h. South Australian Department for Infrastructure and Transport
- i. Local Councils and Community Groups such as the Whyalla and Port Augusta Councils.

Related Projects

49. The following projects have synergies with the proposed works and have been de-conflicted with the Project.

50. **Cultana Training Area Redevelopment Phase 1.** This project was approved by Parliament in November 2009 and delivered the following scope:

- a. a new range control precinct, consisting of a range control building, warehouse storage facility, ammunition point, vehicle wash point and a large vehicle hardstand
- b. basic urban operations training facility, consisting of eight buildings of varying size and complexity
- c. all-weather road network connecting facilities to public roads

51. The project delivered the first stage of fit-for-purpose facilities and infrastructure to increase safety and training area usability within the training area. The Project is still to deliver an underpass of the Lincoln Highway, which will allow the safe access of users to travel between the east and west portions of the Cultana Training Area, and is scheduled for completion by mid-2024.

52. The Estate Works Program is delivering additional road networks across the Cultana Training Area.

Cost Effectiveness and Public Value

Project Costs

53. The estimated total capital out-turned cost of the Project is \$79.8 million (excluding Goods and Services Tax). This cost estimate includes project management and design fees, construction costs, information and communications technology, furniture, fittings, equipment, contingencies and an allowance for escalation.

54. An increase in sustainment costs is expected as a result of the proposed works. This is due to the Project delivering additional supporting infrastructure, including all-weather access roads and upgraded training ranges. These scope items will require periodic and scheduled maintenance to ensure their usability and to meet Defence's safety requirements for field exercises. The Project will enable an increase in training capability and occupation of the site, which will also increase will increase sustainment costs.

Project Delivery System

55. A Project Manager / Contract Administrator has been appointed to manage the proposed works and to administer the contracts for design and construction.

56. A Design Services Consultant has been engaged to provide design services. It is envisaged that this engagement will be extended for any further design development of the proposed scope.

57. The works are proposed to be delivered under a Head Contract (Construct Only) arrangement due to its ability to provide a lump sum cost to Defence while allowing continued control of the design. This contract model will provide a value for money market driven cost under a competitive tender process.

Construction Program

58. Subject to Parliamentary approval, design is expected to be completed by late 2023, and construction expected to commence in early 2024 for completion by early 2025.

Public Value

59. Defence has comprehensively assessed public value, opportunities and benefit to the community as a result of the proposed works:

- a. **Employment opportunities:** It is expected that the Project will generate employment opportunities for a diverse range of consultants, contractors and construction workers, and for up-skilling and job training to improve individual skills and employability on future projects. Defence anticipates that, over the life of the Project, around 90 personnel could be provided with employment opportunities.
- b. **Economic impacts:** The Project will actively promote opportunities for small to medium enterprises through construction sub-contractor packages.
- c. **Local industry and Indigenous business involvement opportunities.** Defence anticipates providing local businesses with opportunities to supply construction materials and labour. The Project will actively promote opportunities for small to medium local enterprises through construction trade packages. The Project must comply with the Government Policy for Local Industry Participation, which requires the Head Contractor to provide detailed commitments on how they will utilise and develop Australian industry. These commitments will become contract

deliverables and the Head Contractor will be required to report on their performance against them. While the policy does not mandate local suppliers, there are opportunities to engage local industry associated with Project sites. In accordance with the Government's Indigenous Procurement Policy, the Head Contractor is required to develop an Indigenous Participation Plan, which will provide opportunities for Indigenous businesses to be involved in the Project

- d. **Existing infrastructure services.** The Project will not deliver scope that will upgrade any existing infrastructure, such as high voltage electrical lines, sewer and stormwater infrastructure or road and rail infrastructure. All works will be located within land leased by Commonwealth for use by the Australian Defence Force.

Below the Line Items

60. The following below-the-line-items are identified for potential delivery in the event of cost reductions through competitive tendering for a Head Contractor or the retirement of risk provision:

- a. **Hardstand.** An all-weather hardened area to allow parking of Defence vehicles during training exercises, located within the Camp Area as shown in Attachment A.
- b. **High Explosive Target Area.** Provides an area for users of the range to train with high explosive ordnance. The localised area is to mitigate against widespread environmental degradation and the requirement for unexploded ordnance remediation across a large area. The infrastructure required for this scope of work will be limited to fire breaks to the perimeter.
- c. **Ablutions.** Unisex ablution and laundry facilities to service the living in accommodation, located within the Camp Area as shown in Attachment A.
- d. **Mess/Kitchen/Recreation.** Dining and Kitchen facilities, with an area to enable social interaction, located within the Camp Area as shown Attachment A.
- e. **Multipurpose Living in Accommodation/Tent Slabs.** Accommodation facilities to accommodate approximately 1000 personnel. To be constructed as two fixed barracks for 40 personnel and 110 concrete tent slabs for an additional 960 personnel. Located within the Camp Area as shown in Attachment A.
- f. **Urban Operation Training Facility Tier 2 to Tier 3.** The transition from a Tier 2 to Tier 3 facility will include the construction of an additional 10 training

facilities plus road and stormwater infrastructure to create a simulated urban environment to enable Battle Group level urban operations training.

Revenue

61. No revenue is expected to be derived from the Project.

Attachment

A. Cultana Training Area Redevelopment Phase 2 – Road Infrastructure and Site Plan

