

## AIR 9000 Phase 8 MH-60R Seahawk Romeo facilities project

- 4.1 The Department of Defence (Defence) proposes to acquire 24 MH-60R Seahawk (Seahawk Romeo) maritime combat helicopters with associated support systems and additional explosive ordnance storage capacity necessary for operations. These aircraft will replace the existing maritime combat helicopter capability provided by 16 ageing S-70B-2 Seahawk helicopters.
- 4.2 The purpose of the project is to support operational, training and maintenance needs for the life of type of the Seahawk Romeo helicopters by providing cost effective, functional, safe and energy efficient facilities that incorporate flexible and adaptable designs to meet future requirements.
- 4.3 The cost of the project is \$201.3 million.
- 4.4 The project was referred to the Committee on 21 March 2013.

### Conduct of the inquiry

- 4.5 Following referral to the Committee, the inquiry was advertised on the Committee's website, by media release and in *The Australian* and the *Australian Financial Review* newspapers.
- 4.6 The Committee received one submission and two supplementary submissions from the Department of Defence. The list of submissions can be found at Appendix A.
- 4.7 The Committee received a private briefing and conducted a site inspection, a public hearing and an in-camera hearing on 22 April 2013 in Nowra.

- 4.8 A transcript of the public hearing and the submissions to the inquiry are available on the Committee's website.<sup>1</sup>

## Need for the works

- 4.9 The new aircraft will replace existing ageing aircraft and will provide Defence with advanced anti-submarine warfare and anti-surface capabilities through the use of a sophisticated sensor suite, torpedoes and air-to-surface missiles.
- 4.10 The aircraft will operate from HMAS Albatross, Nowra, NSW and HMAS Stirling, Rockingham, WA. The primary operating base will be HMAS Albatross, the main operating base for the Royal Australian Navy Fleet Air Arm.<sup>2</sup>
- 4.11 HMAS Albatross is home to the existing S-70B-2 Seahawk aircraft fleet operated by 816 Squadron (816 SQN). 816 SQN will transition to the MH-60R and support eight embarked operational flights. The newly established 725 Squadron (725 SQN) will be the operational training squadron in support of aircrew training. Facilities to support the training of crew and maintenance staff and to support the operations and maintenance of up to 18 aircraft will be required at HMAS Albatross.
- 4.12 HMAS Stirling will provide a land based operating site on the west coast and will support up to four of the embarked aircraft (together with their flight support detachments) and squadron training detachments operating from that location at any one time. Facilities to support the operations and maintenance of up to four aircraft will be required at HMAS Stirling.
- 4.13 With the introduction of the Seahawk Romeo capability, Defence will also introduce the new Mk54 lightweight torpedo into service. The introduction of these new torpedos will place an increased demand on existing Defence explosive ordnance storage facilities on the east and west coasts, giving rise to a requirement for additional explosive ordnance storage, maintenance and testing capacity at HMAS Stirling and the Explosive Ordnance Depot, Twofold Bay, Eden, NSW.<sup>3</sup>
- 4.14 The Committee is satisfied that there is a need for the works.

## Scope of the works

- 4.15 The works will include the following five scope elements:
- Romeo Training Centre at HMAS Albatross.

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

2 Defence, Submission 1, p. 1.

3 Defence, Submission 1, p. 2.

- Squadron Complex at HMAS Albatross.
  - Torpedo Maintenance Facility at HMAS Stirling.
  - Explosive Ordnance Storage Facility at HMAS Stirling and Twofold Bay, Eden.
  - Helicopter Support Facility at HMAS Stirling.<sup>4</sup>
- 4.16 The Committee finds that the proposed scope of works is suitable to meet the need.

## Cost of the works

- 4.17 The project cost is \$201.3 million. The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with the proponent agency on these costs.
- 4.18 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent agency.

## Project issues

### Security requirements

- 4.19 The Seahawk Romeo aircraft have a higher security classification than other current aircraft. Accordingly, there are higher security requirements for the aircraft facilities. Defence stated that the aircraft have been acquired under a foreign military sales agreement between the Australian and United States (US) governments:

The machine is largely, in fact, almost entirely, identical to that which is operated by the United States. As such it has certain obligations on Australia to observe the security requirements of protecting that machine and what is in it. Some of the things in it are very much knowledge and equipment which we operate on the understanding that we will respect its security classification and protect it accordingly.<sup>5</sup>

- 4.20 To meet these security requirements, Defence employs the following 'layered' approach to security:

Firstly, the buildings will be built with physical security considered as part of the design, so they are built to be secure. We will then include as an overlay over the top of that electronic

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4 Defence, Submission 1, pp. 14-17.

5 Cdre Vincenzo Di Pietro, Defence, *transcript of evidence*, 22 April 2013, p. 7.

security measures. Then an added layer will be surveillance and then as an overarching layer will be the guarding that you see on our establishments. That is the philosophy from which we would look to address the requirements.<sup>6</sup>

## Committee comment

- 4.21 The Committee recognises Defence's commitment to ensuring the security requirements for the Seahawk Romeo aircraft are met.
- 4.22 The Committee notes that the US Navy operates differently to the Australian Navy. However, the Committee understands that an architect has been sent to the US to examine similar facilities so as to incorporate relevant knowledge into the design of the proposed facilities.

## Relationship to HMAS Albatross redevelopment project

- 4.23 The Committee previously examined and recommended expediency for the proposed redevelopment of HMAS Albatross, Nowra, NSW.<sup>7</sup> However, the Committee was subsequently advised that there have been significant delays to that project. As such, the construction of that project will now overlap with this proposed project.
- 4.24 Defence stated that there will be an increased impact on the base and in the local area:

... [however] the *Albatross* redevelopment workforce would be coming in through another gate ... The majority of that access would be through the base access, but we are also talking about opening another gate, perhaps a little bit further up BTU Road to take the demand off the main access. Probably the bigger issue for us will be the coordination of the work, ensuring that we are able to secure the trades that we need at the appropriate times, considering the very fact that we are in Nowra and there are a limited number of firms that provide the different disciplines of work that we would require. We will need to manage that carefully.

We will be putting significant demands on the head contractor to meet certain milestones, because of the critical nature of the program, to ensure that I provide a facility to Navy that is ready to receive the simulator facilities ... There will be some ability for us

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6 Brig. D. Naumann, Defence, *transcript of evidence*, 22 April 2013, pp. 7-8.

7 Report 1/2012, available on the Committee's website.

to work with the managing contractor to schedule works to ensure that we minimise conflicts.<sup>8</sup>

### Committee comment

- 4.25 The Committee expects Defence to take all appropriate measures to minimise the impact of two major projects being undertaken concurrently.

### Explosive ordnance storage

- 4.26 In the past, Defence's storage of explosive ordnance has been subject to design failures. Defence stated that it has learnt from these experiences:

We have undertaken some significant 'lessons learned' activities from all involved to ensure that we understand what issues we faced, particularly some of the conflicting policy issues that we ran up against. So the design team involved in this project has been exposed to those 'lessons learned' activities to get a better understanding of where the pitfalls were that we identified through the Port Wakefield and Fort Direction projects. I am pleased to say that the Fort Direction one now has been resolved, and we now have serviceable facilities down there. As I advised the committee, we are now working on the Port Wakefield one to complete it.<sup>9</sup>

### Committee comment

- 4.27 The Committee is satisfied that Defence has rectified past design issues regarding explosive ordnance storage and, given these past experiences, will manage this aspect of the project appropriately.

### Local traffic and security issues during construction

- 4.28 There are some local road and security considerations during the construction phase. Defence stated that these differ for the three proposed locations. At HMAS Albatross:

... one of the beauties of going to where the greenfield site is that it is a completely separate part of the base that we will be able to excise from the base security perimeter during the conduct of the construction works. So except for interface works where there is a requirement to come on and connect into existing base infrastructure, I would expect that the majority of the construction

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<sup>8</sup> Brig. D. Naumann, Defence, *transcript of evidence*, 22 April 2013, p. 5.

<sup>9</sup> Brig. D. Naumann, Defence, *transcript of evidence*, 22 April 2013, p. 6.

workforce would enter and exit the construction site from Braidwood Road from an entry that would be set up by the contractor himself and, I might add, managed by the contractor as well because it will be outside the defence secure perimeter. In terms of its impact on the base traffic it should be limited, except for, as I say, the times when they need to access the rest of the base to undertake that interface work.<sup>10</sup>

4.29 At HMAS Stirling and Twofold Bay:

[The works are] are internal to the base perimeters. At HMAS *Stirling* the helicopter support facility is on Garden Island, so the contractor will need to access the base in the same way that the rest of the base occupants access. That is across the causeway. We will need to manage that with the base staff, so the senior ADF officer and the base manager from Defence Support and Reform Group would be involved in ensuring that we have traffic management plans in place to manage the traffic, plus also to manage security clearances and so on of the contractors who will be accessing the Stirling site. The same would apply at Eden although I note that, while the Twofold Bay site is a relatively large site, there is not a lot of people there. It is simply an explosive storage area. There is not a large workforce there, so the contractors' activities are unlikely to have a significant impact on what we are trying to do there, on the base population and so on.<sup>11</sup>

## Committee comment

4.30 The Committee acknowledges Defence's consideration of local traffic issues in conjunction with security requirements. The Committee expects Defence to actively manage, and limit wherever possible, the impact of construction on local communities.

## Disposal of facilities

4.31 Defence examined the potential for reusing existing facilities, but for this project a new build at HMAS Albatross was the preferred option:

... a more efficient outcome for us was the new build on the other side of the airfield, particularly noting that we had a better use for those facilities just around the corner with the helicopter aircrew training system project which is currently in development ...<sup>12</sup>

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10 Brig. D. Naumann, Defence, *transcript of evidence*, 22 April 2013, p. 4.

11 Brig. D. Naumann, Defence, *transcript of evidence*, 22 April 2013, p. 4.

12 Brig. D. Naumann, Defence, *transcript of evidence*, 22 April 2013, p. 5.

- 4.32 Accordingly, various existing facilities will be reused for future Defence requirements. However, Defence noted that the flight simulator for the Seahawk Classic may be disposed of once the aircraft is withdrawn from service, as it would not be used for future aircraft types.<sup>13</sup>

### Committee comment

- 4.33 The Committee inspected the flight simulator and acknowledges that it cannot be adapted to train personnel for different aircraft.
- 4.34 The Committee appreciates Defence's commitment to reusing existing facilities wherever possible. Further, the Committee notes that the proposed facilities are designed to enable as much future flexibility as possible.

### Final Committee comment

- 4.35 The Committee met various Fleet Air Arm personnel during the inspection at HMAS Albatross and thanks these personnel for their presentations and willingness to answer questions.
- 4.36 The Committee was satisfied with the evidence provided by the Department of Defence regarding the proposed project. The Committee is satisfied that the project has merit in terms of need, scope and cost.
- 4.37 Proponent agencies must notify the Committee of any changes to the project scope, time and cost. The Committee requires that a post-implementation report be provided on completion of the project. A template for the report can be found on the Committee's website.
- 4.38 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

**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 8 MH-60R Seahawk Romeo facilities project.**

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13 Brig. D. Naumann, Defence, *transcript of evidence*, 22 April 2013, p. 5.

