

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary estimates 2003–2004, 6 November 2003

Answers to questions on notice from **Department of Defence**

Portfolio overview and major corporate issues

Budget summary, financial statements and improvement initiatives

QUESTION W16

ADF involvement in US President's visit

Senator Evans

- a) Please provide a list of all ADF platforms and personnel were involved in the security operation for the US President's visit (including how many aircraft, other platforms, numbers of personnel etc).
- b) Please indicate the home base of all personnel and platforms that participated in the operation.
- c) Please indicate the cost of each element of the operation.
- d) What was the total cost of the operation?
- e) Did the F/A–18s escort the President's aircraft all the way from Indonesia? If not, from where did the escort start?
- f) Who authorised this level of ADF participation in the operation?
- g) Where did the request for such a high level of ADF involvement come from? Did it come from the US? Or did it come from the Australian Government?
- h) Has the ADF ever before provided this level of security for a visit by a foreign head of state?
- i) Was there any intelligence to suggest that there was a heightened risk of terrorist attack etc?

RESPONSE

a)-d) The total net additional cost was \$310,000. Details are provided in the table below.

Unit/Platform	Number of personnel	Home Base	Net Additional Cost \$'000
Two Squirrel helicopters	7	Nowra	5
Clearance Diving Team Element	19	Sydney	10
Tactical Assault Group Headquarters, Platoon and liaison officer	52	Holsworthy	92
Chemical Biological Radiological Response Platoon and liaison officer, and an Emergency Response Section Detachment	30	Holsworthy	48
Four Black Hawk helicopters	35	Townsville	3
Land Command support forces	17	Sydney	0
Eight F/A-18 aircraft	39	Williamstown	15
Control and Reporting Unit	23	Williamstown, Amberley, Tindal	48

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Fuel tankers and crews	4	Richmond	31
Four Dog teams	0	Richmond	0
Security team	4	Williamstown	9
Air Command liaison officers	2	Williamstown, Tindal	49
Total	232		310

- e) No. The F/A–18 escort commenced at the top of descent into Canberra.
- f) The Prime Minister, based on a recommendation from the Attorney-General, following security recommendations from the Protective Security Coordination Centre.
- g) The United States Government requested the support.
- h) Yes, at the Commonwealth Heads of Government Meeting in March 2002.
- i) There was no specific intelligence.

QUESTION W17

Clearance diver overpayments

Senator Evans

- a) Are reports that a Navy clearance diver who served in Iraq was overpaid allowances correct?
- b) How much was the diver overpaid?
- c) How much will have to be repaid? How are the repayments structured?
- d) Why did this problem arise? Did the diver over-claim allowances? Or did Defence personnel overpay the allowances?
- e) Has this situation arisen in respect of any other clearance divers? Please provide details of each overpayment (ie number of personnel affected, and the amount that has to be repaid to Defence).

RESPONSE

- a) Yes. 28 Navy clearance divers were overpaid allowances while serving in Iraq.
- b) The divers were overpaid amounts between \$3,000 and \$6,800.
- c) Defence employees who are overpaid allowances are required to repay the full amount owed. In general, Defence employees are required to repay their debts owing to the Commonwealth immediately. However, repayment over six periods with minimum instalments of \$100 per pay fortnight is also offered. Where this would cause financial hardship, a longer period of instalment is negotiated. In the case of the divers, 18 members repaid the debt immediately while 10 negotiated repayment over one or two years.

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- d) The overpayments resulted when Defence continued to pay the divers' accommodation and meals allowances after they moved from transit accommodation into the area of operations and were no longer eligible for such allowances. When the divers became aware of the overpayments, their Defence pay centre was contacted to have the allowances stopped. This request could not be actioned by the pay office without written confirmation, which the divers were unable to provide at the time due to their remote location. The divers were advised by their officer-in-charge not to spend the money as it would need to be repaid on return to Australia.
- e) See a), b) and c) above.

F-111 Flyovers for High Court Centenary

QUESTION W20

Senator Evans

- f) When was it first announced that the F-111 flyovers for the High Court Centenary would take place?
- g) Who requested the flyovers?
- h) Who was consulted about the decision to conduct flyovers?
- i) Who authorised the flyovers?
- j) How many planes were involved in the flyovers?
- k) What was the home base of the aircraft involved in the flyovers?
- l) What was the total cost to Defence of the flyovers?
- m) Were any other Defence elements involved in the High Court celebrations? Please indicate all ADF elements that participated in the celebrations (and cost, personnel involved, home base etc)

RESPONSE

- a) Defence issued a media alert on 10 October 2003, more than 24 hours before the event.
- b) Justice Callinan of the High Court of Australia.
- c) Chief of the Defence Force;
Chief of Air Force and Deputy Chief of Air Force;
Air Commander Australia;
Headquarters Air Command;
Head Strategic Operations Division;
Headquarters Australian Theatre;
Assistant Secretary Resource Planning—Air Force;
First Assistant Secretary Budgets and Financial Planning; and

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Department of Finance and Administration.

- d) The Minister for Defence and the Minister for Finance and Administration, on the recommendation of the Chief of the Defence Force.
- e) Two aircraft.
- f) RAAF Amberley.
- g) The flight was also used to conduct training activities. There is considerable difficulty in determining precisely the allocation of costs to each activity where a flight involves both a training element and support to an event. The cost for extra fuel consumed during the dump and burn over the High Court celebrations was about \$600.
- h) Yes. Australia's Federation Guard, 28 personnel, Canberra. The net additional cost was \$3,081. The Royal Military College Duntroon Band, 30 personnel, Duntroon. The net additional cost was \$212.

Capability development

QUESTION W2

Acquisition of new tanks

Senator Evans

- a) What is the strategic justification for acquiring replacement tanks for the Army?
- b) How would tanks be utilised against terrorism?
- c) How would the ADF use the replacement tanks? How would replacement tanks be useful in the defence of Australia, and in operations in the Asia-Pacific region?

RESPONSE

- a) The ADF must acquire and maintain the capability to defend Australia and its national interests. The decision to acquire replacement tanks for the Army is based on this strategic premise.

To continue to make an effective contribution to the ADF mission, the Army needs the capability to succeed in close combat. The tank is an essential element of close combat capability, which also includes infantry, armour, artillery, engineers and combat aviation.

In recent years, weapons technology has developed to the point that the Leopard tank is increasingly vulnerable to the weapons it would likely face. Weapon systems threats in the Asia–Pacific include multi–purpose assault weapons and anti-tank missile systems. The Leopard will be replaced by a tank that can withstand threats it is likely to face.

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- b) A highly capable, balanced defence force is one part of a whole-of-nation approach to security and the threat of terrorism. Tanks are integral to the Army's combined arms team and can be critical to the ability of the land force to fight and win.

Effective warfighting capabilities help shape our security environment through deterring aggression. A modern combined arms land force needs the combat power to win quickly, with minimal casualties.

- c) The principal role of tanks, along with infantry, artillery, armed helicopters and combat engineers, is the conduct of close combat. History and operations analysis provide compelling evidence that the chances of success in close combat are much greater if combined arms teams are employed.

Tanks possess the critical combat capability to provide effective fixed and mobile direct fire. They are especially useful in the complex terrain typical of our region and in urban environments. Without effective tanks, the Army would be less capable in the conduct of close combat against likely regional capabilities. Tanks have excellent and flexible firepower, better situational awareness—because they can be easily networked—and, due to their protection levels, can drive into positions inaccessible to infantry in order to suppress or destroy enemy weapon sites. They also offer advantages in tactical movement from area to area.

The versatility of tanks allows them to be grouped to suit the mission. From large-scale deployment to use in relatively small numbers to support infantry, deter enemy attacks and provide a reassuring presence during peace operations, tanks provide protection, firepower and manoeuvre. They also provide protected communications nodes and sensor platforms, thus contributing to network-centric warfare abilities within the combined arms team.

Air Refuelling Capability

QUESTION W3

Senator Evans

- d) When is it expected that the preferred tenderer for this project will be chosen?
- e) Is it still expected that the planes will be delivered in 2007?
- f) What is the precise budget for this project at present?
- g) How many planes are required for the Air Force to have a viable air-to-air refuelling capability?
- h) Can Defence guarantee that five aircraft will be delivered under this project?

RESPONSE

- a) Tender evaluation is planned for completion in late February 2004 and a source selection recommendation is anticipated to go forward to Government in March.
- b) Initial aircraft delivery is planned for 2007, but the exact timing will depend on the outcome of contract negotiations with the preferred tenderer.

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- c) The budget for the air-to-air refuelling project (Project AIR 5402) is in the range of \$2,000m-\$2,500m. The precise project budget is commercially sensitive information.
- d) Four new generation tanker transport aircraft will provide a viable capability.
- e) The AIR 5402 request for tender asked tenderers to respond with four aircraft and a separately priced option for a fifth aircraft. Tender evaluation will include an assessment of the affordability of the fifth aircraft.

QUESTION W5

Replacement of F/A-18s/F-111s with interim aircraft

Senator Evans

- a) Does Defence anticipate that it will maintain the F/A-18 aircraft until such time as the Joint Strike Fighter is acquired?
- b) What is the current scheduled date for the acquisition of the Joint Strike Fighter?
- c) What is the current scheduled withdrawal date of the F/A-18 aircraft?
- d) Given that the F-111 aircraft are to be withdrawn in 2010, does Defence anticipate that it would have to acquire an interim combat aircraft until such time as the Joint Strike Fighter is in service?
- e) What would be the annual cost of acquiring an interim combat aircraft for the period between the retirement of the F-111s and the acquisition of the Joint Strike Fighter?
- f) What is the projected annual cost of maintaining the F-111 and F/A-18 aircraft through to their planned withdrawal date?

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RESPONSE

- a) Defence intends to maintain the F/A-18 in service until about 2015 depending on the maturity of the new air combat capability, nominally the Joint Strike Fighter.
- b) The acquisition of the Joint Strike Fighter is yet to be approved by the Government. The year of decision for acquisition of the first tranche of the new air combat capability is 2006–07, with an expectation that they will begin arriving in Australia by about 2012.
- c) The current planned withdrawal date for the F/A-18 is between 2012 and 2015.
- d) No.
- e) Refer to d) above.
- f) The projected cost of maintaining the F-111 and F/A-18 aircraft through to their respective planned withdrawal dates varies from year to year. The projected annual price to Government for the air combat capability, which comprises F-111 and F/A-18 expenses, but also includes the enabling capabilities of the Hawk Lead-in Fighter and PC-9 Forward Air Control aircraft, averages \$1.85b per annum over the forward estimates period 2004–05—2006–07.

Capital budget

Major capital equipment

QUESTION W4

Upgrades to F-111s

Senator Evans

Please list all upgrades to the F-111 aircraft that were to be undertaken under the former Defence Capability Plan. What is the current status of each of these upgrades? Will these upgrades be cancelled as a result of the decision to retire the aircraft in 2010?

RESPONSE

The already approved projects, Interim Electronic Warfare Self-Protection (AIR 5391 Phase 6) and Air-to-Surface Stand-off Weapon Capability (AIR 5398), will be completed.

With the likelihood of a phased withdrawal from 2010 some of the as yet unapproved upgrades to the F-111s will be reviewed to take account of factors such as aircraft survivability, capability and value for money.

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QUESTION W6

Airborne Early Warning and Control Aircraft

Senator Evans

- a) Please provide a brief explanation of the value of acquiring AEW&C aircraft.
- b) How many AEW&C aircraft are required by the Air Force to meet the ADF's capability needs?
- c) Does Defence agree with the assessment by former Chief of Air Force Errol McCormack in 2001 that we really need seven AEW&C aircraft to deliver the capability we need?
- d) When does the option to acquire the two additional airframes expire?
- e) Will Defence be taking up this option?
- f) What is the cost of the two additional airframes under this option?
- g) If the option does not get taken up, what would be the point of having six mission systems for only four planes? Would the extra mission systems have been a waste of money?
- h) What will Defence do with the two extra mission systems if they do not get the two extra airframes?
- i) If Defence only get four aircraft, will this provide the ADF with the necessary AEW&C capability?

RESPONSE

- a) Airborne Early Warning and Control (AEW&C) aircraft provide the capability to detect aircraft flying at any altitude, including aircraft that are not transmitting 'identification friend or foe' signals at ranges greater than 400km and also for vessels out to 300km. The aircraft provide a mobile control and communications capability with the ability to deploy rapidly anywhere in Australia, or the world. Additionally, with the on-board datalink capability, AEW&C aircraft have the ability to provide an accurate, real-time picture back to commanders, thereby substantially improving their situational awareness and decision-making ability.

In a conventional situation, AEW&C aircraft will enhance surveillance, air defence, fleet support and force coordination operations in defence of Australian sovereignty and national interests. Effective early warning and identification of airborne and seaborne intruders will support efficient and timely control of ADF responses. Further, recent terrorism events and subsequent responses by targeted nations have placed an increased focus on the capability and use of AEW&C aircraft in the protection of national assets.
- b) & c) The minimum number of AEW&C aircraft required to establish an effective capability for the ADF to cover one geographic area is four.
- d) The current option expires on 30 June 2004.
- e) The Government will announce a decision on the options at an appropriate time.
- f) The total cost of the current option for two aircraft is US\$180m (September 1998 prices).

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- g) & h) Defence's plan from the outset has been that, if additional AEW&C aircraft were not purchased, the additional two mission systems would be converted to spares. Some of these spares would be used to reduce the cost of the initial spares package and the remaining lower usage rate components would be used to reduce the operating costs of the capability.
- i) Four aircraft will enable the ADF to establish an effective AEW&C capability to provide coverage of one geographic area.

QUESTION W7

FFG upgrade

Senator Evans

- a) On what date did the upgrade of HMAS *Sydney* commence? What is the projected cost of the upgrade?
- b) Why is HMAS *Sydney* being upgraded before HMA Ships *Adelaide* and *Canberra* (given that those two ships are older)?
- c) Please indicate the dates on which it is anticipated HMA Ships *Adelaide* and *Canberra* will commence their upgrades.
- d) Are HMA Ships *Adelaide* and *Canberra* the two FFGs that will be retired early?
- e) If HMA Ships *Adelaide* and *Canberra* are not to be upgraded, will the budget for the FFG upgrade project as a whole be reduced? If not, why not? Surely if less ships are being upgraded, the cost should be lower?
- f) Have any incentive payments or bonuses of any kind been paid to any of the contractors for the upgrade project? If so, please provide details of each payment.

RESPONSE

- a) HMAS *Sydney* commenced its upgrade on 22 September 2003. The total project budget at current prices is \$1,430m. The total cannot be broken down into costs for individual ships.
- b) HMAS *Sydney* was the oldest ship based on the eastern seaboard and its refit availability matched more closely the commencement dates of the upgrade than those of HMA Ships *Adelaide* and *Canberra*, both of which are based in the west. The order of ships for upgrade is under further consideration following recent Defence Capability Review decisions.
- g) HMA Ships *Adelaide* and *Canberra* are no longer being considered for upgrade.
- h) Yes.
- i) Yes. The contract will need to be re-negotiated with the prime contractor, given that it is a fixed price arrangement.

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- j) The prime contract provides for periodic performance assessment and payment to the prime contractor of a performance incentive fee against prime contract requirements. Performance incentive fee payments totalling \$1.5m were made to ADI at six monthly intervals following contract award in June 1999, and concluded in June 2001. The specific breakdown of these payments is commercial-in-confidence.

QUESTION W8

Defence Integrated Distribution System

Senator Evans

What is the current estimate of the savings that will be generated by the Defence Integrated Distribution System project?

RESPONSE

This has been subject to public announcement.

Question from the Finance and Public Administration Committee to the FADT Committee

QUESTION W27

Australian Submarine Corporation

Senator Forshaw

- a) How much did the tender process for the submarine refit contract awarded to the ASC cost? When did this tender process commence and how long did this process take?
- b) How many companies expressed interest in the tender and/or submitted a tender? Were they local or overseas companies?
- c) The refit contract was announced 2 years after the government's commitment that all full cycle dockings would be undertaken by ASC. Why has the process taken so long?

RESPONSE

- a) The submarine refit contract was sole sourced to Australian Submarine Corporation (ASC) on the basis that this is the only company that has the capability, expertise and design information to be able to undertake major

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maintenance work on the Collins class submarines. Since this was a sole source contract there were no tender costs.

- b) Refer to a).
- c) The Government's commitment has been met. The through-life support contract replaces a number of existing individual contracts with ASC covering a variety of types of work, including full-cycle dockings, assisted maintenance periods, design studies, support services and implementation of capability upgrades. Combining these scopes of work into a single contract was a complex and time consuming task. In order to commence the first two full-cycle dockings for HMAS *Collins* and HMAS *Farncomb* respectively, ASC was awarded these contracts on a stand-alone basis.

Major capital facilities projects

QUESTION 3

Lease of Point Nepean Land

Senator Allison

Hansard: page 73

Can a copy of the rules relating to permitted uses for the site be provided to the committee?

RESPONSE

The rules relating to permitted uses for the site are contained in the draft lease that formed part of the tender documentation for the leasehold, in particular, the use and development framework (Schedule 7). The draft lease was made publicly available via the Defence website during the tender process.

A copy of the draft lease was provided to the Committee on CD-ROM.

QUESTION W9

North West Cape Base

Senator Evans

What is the current status of the North West Cape naval communications facility? Please provide a brief background explanation of US involvement in the facility (historical context, leading up to their decision to withdraw from the base in 1999). Have there been any recent negotiations with the US about future use of the base?

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Please provide details on the nature of these negotiations. Is the US likely to return to the base? When is this expected to occur?

RESPONSE

The North West Cape naval communications station is a Defence communications facility that provides very low frequency communication services to both the Australian and United States defence forces. The station also provides a high frequency transmission capability in support of the Royal Australian Navy and, during joint operations and exercises, allied fleet units.

The United States Navy built the station between 1965–67, in accordance with an agreement instituted by the Commonwealth of Australia and the United States Government in 1963. After commissioning, the operation of the station remained under United States' control until the establishment of a joint management arrangement in 1974. This management arrangement continued until 1992, when an amendment to the original agreement instituted a seven-year transition period for the station to become an Australian naval communication station.

The 1992 amendment covered such issues as the sharing of the costs of operation, maintenance, modernisation, alteration and repair of the station. The amendment also provided the United States Government guaranteed access and use upon terms and conditions which were to be mutually agreed between the two Governments.

Since the conclusion of the transition period in 1999, day-to-day management and operation of the station has been solely an Australian responsibility, and there have been continuing negotiations between the two Governments on an agreement to formalise this arrangement.

The agreement, still in draft, covers the requirement to maintain the communication facility, access by the United States, consultation, cost sharing, taxation, technical arrangements, and property transfer and disposal. The draft agreement provides for the same level of access by the United States as the amended 1963 agreement. The United States will continue to have access to three of the four very low frequency radio communication channels, will contribute to operating costs, and will assist with logistics support, capital upgrades and technical expertise. The agreement is to be reviewed by Parliament before it can take effect. This is expected to occur within the next 12 months.

There are no plans for any United States personnel to return to the station, and there are no plans to alter the level of United States Navy access, which has existed since United States personnel withdrew.

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QUESTION W10

Property sales (general)

Senator Evans

- a) What is the current projection of property sales receipts for 2003–04?
- b) Please provide a list of all property that has been disposed of so far in 2003–04 (including the sale price, address, size and other details about each of these assets).
- c) What are the total receipts from asset sales so far in 2003–04?
- d) Please supply a list indicating all properties that are to be disposed of during 2003–04.
- e) How much has been spent on marketing, legal fees, property studies etc in relation to property sales so far this financial year?

RESPONSE

- a) \$199.9m.
- b) The following table contains inform

Settlement Date	Property location	Address	Description	Area (ha)	Sale Price (GST inclusive) (\$)	Purchaser
31 July 2003	Winnellie	84 Coonawarra Road, NT, 0820	Storage Depot	2.7	3,685,000	Cydor Pty Ltd
22 August 2003	Sydney	Chisholm Rd, Regents Park, NSW, 2143	Storage Depot—Part Sale	0.7	880,000	RP1 Pty Ltd
13 December 2003	Bogan Gate	Bedgerebong Road, NSW, 2876	Ammunition Storage Depot	1030.8	1,030,000	Lot 1 Green family, Lot 2 & 4 Timber Creek Holdings Pty Ltd, Lot 3 & 5, Joe & Andrea Rix
19 December 2003	Townsville	Lot 568, Dalrymple Road, QLD, 4810	Vacant land	19.9	138,000	Queensland Building Supplies Pty Ltd
22 December 2003	Melbourne	Afton St, West Essendon, VIC, 3040	Vacant land—part of former explosives factory Maribyrrong	17.0	990,000	City of Mooney Valley
23 December 2003	Darwin	Lot 9736, Lee Point Road, NT, 0810	Vacant buffer land at former Transmitting Station	89.0	8,000,000	Defence Housing Authority
TOTAL:					14,723,000	

- c) As at 14 January 2004, total receipts, from properties sold in 2003–04, are \$14,723,000 (GST inclusive).
- d) The following properties are listed to be disposed of during the remainder of 2003–04.

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Property	State	Description
Bathurst ⁽¹⁾	NSW	Part Sale—Former Logistics Depot
Ermington (Rydalmere) ⁽¹⁾	NSW	Former Stores Depot
Fort Wallace	NSW	Former Navy Personnel Accommodation Facility
Haberfield ⁽¹⁾	NSW	Former Army Reserve Depot
Moorebank	NSW	Former Fire Station and Office Accommodation
Moorebank ('Amiens') ⁽¹⁾	NSW	Former Married Quarter Area
Neutral Bay	NSW	Former Navy Base (HMAS Platypus)
Penrith ⁽¹⁾	NSW	Former Stores Depot—Thornton Park
Randwick (Bundock Street)	NSW	Mostly vacant land—Part Sale—Former Army Base
Regents Park ⁽²⁾	NSW	Former Stores Depot
Stockton ⁽¹⁾	NSW	Former Rifle Range
Werrington ⁽¹⁾	NSW	Former Stores Depot – Part Sale
Bairnsdale	Vic	Part Sale—Vacant Land & Former Married Quarter
Bonegilla	Vic	Part Sale—Former Recreation Area (Bowling Green)
Broadmeadows ⁽¹⁾	Vic	Former Stores Depot
Maribyrnong	Vic	Former Explosives Factory
Maribyrnong ⁽¹⁾	Vic	Building 72
Point Cook	Vic	Part Sale—RAAF Point Cook
Meeandah ⁽¹⁾	Qld	Storage Depot
Wallangara	Qld	Former Married Quarter Area
Salisbury	SA	Part Sale—Former DSTO site
Bushmead	WA	Mostly vacant land—Former Rifle Range
Gungahlin	ACT	Former RAAF Transmitting Station

Notes:

1. Slippage from 2002-03 (partial slippage of Ermington & Werrington).
2. Portion sold 22 August 2003.

e) Information for the period from 1 July 2003 to 14 January 2004 is detailed below.

Category	Amount
Legal and professional services	\$2,827,364.94
Property studies	\$3,505,899.33
Heritage costs	\$1,758,510.96
Site management	\$2,592,599.50
Marketing costs	\$297,983.78
Contamination expenses	\$4,148,149.68
Total	\$15,130,508.19

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QUESTION W11

Disposal of Point Cook

Senator Evans

- a) Has Defence considered leasing the Point Cook site, rather than conducting a full sale?
- b) Why did Defence decide to lease (rather than sell) Defence land at Point Nepean, but sell (rather than lease) Defence land at Point Cook?
- c) Why is retention in community hands and a long term strictly controlled lease at Point Nepean the most appropriate way to preserve the heritage and ensure ongoing public at Point Nepean but not at Point Cook?
- d) Has a cost/benefit analysis of the sale of Point Cook been undertaken by Defence? If so, can a copy of this study be provided?
- e) Please provide a full breakdown of all costs associated with the sale of Point Cook. Please include all marketing, advertising, tender evaluation, legal and other costs in this breakdown.
- f) For each of the last five financial years, please indicate the amount that Defence has spent on maintenance and building works at Point Cook. Please also break down these costs according to the nature of the work undertaken (ie electrical, plumbing, building works, gardening etc)
- g) What is the anticipated cost to Defence for the retention of part of the base for the RAAF College, the RAAF Museum and the so-called 'Heritage Precinct'?
- h) What are the estimates for decontamination of the area proposed for sale?
- i) What are the realistic time scales for the relocation of the College? What is the cost of relocating the College?
- j) How is any further development of the RAAF Museum to be funded?
- k) Why isn't a lease the most appropriate method to ensure the ongoing preservation, public access and operation of the entire airfield at Point Cook, as is the case for all former Government airfields in Melbourne, and at the former Defence airfield at Avalon?
- l) Why is a single North–South runway being protected at Point Cook only for use by the RAAF Museum when the commitment was made to maintain an operating airfield for general aviation as well as the RAAF Museum?
- m) Why is only a single runway being protected when Point Cook currently has two sealed runways for cross–wind operations?
- n) Why wasn't the proposal to break up the Point Cook site, and retain the Heritage Precinct and RAAF Museum Precinct, presented to the community and other working groups during the 2 year consultation process leading up to this decision?
- o) Will Defence publicly release the reports relating to environment, services infrastructure, coastal status, and building conservation management plans for Point Cook? Aren't these same reports freely available to the general public in respect of the disposal of Point Nepean (on the Defence website)?

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RESPONSE

- a) Yes.
- b) The Commonwealth Property Disposals Policy requires that surplus property be sold on the open market at full market value. The Government decided to withdraw the Point Nepean property from sale.
- c) See b)
- d) No. The Point Cook airfield was identified for disposal as a result of the 1991 Defence Force Structure Review. At the time, it was decided the main base (domestic) area, which included the RAAF College and Headquarters Training Command, would remain operational. The 1997 Defence Reform Program identified the remainder of the base for disposal in the mid-term (2001–2006). As a consequence, the site has become surplus to requirements and available for disposal.
- e) To date, the costs associated with the sale of the Point Cook site are as follows:

	Cost \$'000
Planning manager consultant	650
Legal advice including preparation of tender documentation	483
Advertising	27
Environmental studies	446
Steering committee chairman	48
Total	1,654

- f) The records for expenditure for the Point Cook site are provided under the following activities:
- *Reactive Maintenance*: General building and facilities maintenance works of an urgent nature to be fixed within 48 hours. Also includes fixed plant & equipment maintenance;
 - *Asset Maintenance*: In previous years this was all projects over \$250,000;
 - *Environmental Routine Works*: All environmental work;
 - *Routine and Planned Works*: Includes reactive maintenance work that is non-urgent and can be fixed within 14 days. Also includes all project work ie upgrades and refurbishments;
 - *Capital*: Enhancements to the value of the facility/asset, increases in the life of the facility/asset or any new work of \$10,000 and above; and
 - *Garrison Support Services*: Includes pest and vermin control, grounds maintenance, furniture relocation, cleaning, waste collection and removal.

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	1998–99⁽¹⁾	1999–00⁽¹⁾	2000–01	2001–02	2002–03
Reactive Maintenance	0.090	0.090	0.000	0.000	0.266
Asset Maintenance	0.100	0.100	0.360	0.000	0.000
Environmental Routine Works	0.000	0.000	0.000	0.042	0.000
Routine and Planned Works	0.100	0.100	0.142	0.027	0.142
Capital	0.050	0.050	0.000	0.131	0.026
Garrison Support Services	0.700	0.700	0.700	0.700	0.700

1. Costs for 1998–99 and 1999–2000 are estimates based on information taken from Defences former Financial Management Information System which is no longer in use.
- g) The Australian Government Solicitor and Defence’s property manager, United KFPW, are currently working on this issue. No details are available at present. The proposed leaseback costs for the temporary retention of the RAAF College will be made available to prospective purchasers as part of the due diligence process.
- h) Defence has engaged HLA Envirosiences to undertake a number of investigations related to the clean up requirements for various contaminants at the Point Cook site. At present, investigations are incomplete and accurate estimates are not available.
- i) The development of a detailed business case for the relocation of the RAAF College will commence early next year and be completed in early 2005. The project is scheduled to be presented to the Government for approval in mid–2005. If approved, construction is planned to commence in late 2005, with completion by the end of 2008. The expected cost of the project, including retention of elements at Point Cook, will be confirmed as part of the development of the business case.
- j) Any proposed further development of the RAAF Museum will be funded in competition with other Defence infrastructure requirements, via the Defence budget and capital expenditure program.
- k) Defence has determined that the Point Cook site is surplus to Defence requirements. Therefore, in accordance with the Commonwealth Property Disposals Policy, and as approved by the Government in the 2003–04 budget context, the site is to be sold on the open market at full market value. The Commonwealth requirements for access to the airfield are to be secured within the contract of sale, and heritage preservation will be secured under existing Federal and State legislation and Council planning controls. Public access to the Commonwealth precincts are also to be addressed in the contract of sale. Public access to non–Commonwealth areas would be the prerogative of the new owner.

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l) and m) The north/south runway has been identified as critical to the continued operating activities of the RAAF Museum. The Australian Government Solicitor is designing legal measures to link the runway to the RAAF Museum, via an easement, to provide a minimal protection measure rather than a restrictive measure on behalf of the RAAF Museum. This will ensure an operating airfield on the site and protect future Commonwealth interests. In addition, a requirement of the heritage listing is for the preservation of a runway, although there is no description of what (sealed or unsealed) or where (directional configuration) that runway should be. Defence has taken the position, in consultation with the RAAF Museum and Heritage Victoria, that the north/south runway would satisfy both Commonwealth and heritage requirements.

Access to the airfield and runways for general aviation purposes, after the Commonwealth sells the site, will be an issue for current and prospective users to negotiate with the new owner.

- n) The current Government position was not determined until recently. This position is not in conflict with the outcome sought by the community working groups. The only change is that of ownership of parcels of land, not the proposed future land uses discussed with the community.
- o) The due diligence material being prepared by the Australian Government Solicitor will contain copies of all applicable reports that pertain to the sale of the Point Cook site. This material will be made available to genuine prospective purchasers during the formal tendering process. Regarding Point Nepean see (b).