

SENATE LEGAL AND CONSTITUTIONAL LEGISLATION COMMITTEE
AUSTRALIAN CUSTOMS SERVICE

Question No. 103

Senator Ludwig asked the following question at the hearing on 17 February 2006:

Regarding the CMS04 contract:

- a) What is the total cost of the contract, and the total length of the contract?
- b) What stages are there in the CMS upgrade?
- c) Provide a timeline showing when:
 - i) equipment are intended to be procured,
 - ii) when they expect to be operational,
 - iii) what additional technology is going to be made available to Coastwatch, and
 - iv) when this technology is going to become available?
- d) Have contract negotiations with Surveillance Australia now concluded?
 - i) If so, what was the outcome? Was Surveillance Australia awarded the contract?
 - ii) If not, when are negotiations expected to conclude?

The answer to the honourable senator's question is as follows:

(a) There are two Customs Civil Maritime Surveillance 2004 (CMS04) contracts; one for provision of inshore and offshore surveillance services to the Australian Exclusive Economic Zone and Remote Areas (known as CMS04 Service A) and the other for the provision of helicopter services to the Torres Strait and adjacent areas (known as CMS04 Service B).

The CMS04 Service A contract was signed by the Australian Customs Service and Surveillance Australia Pty Ltd on 3 March 2006. The contract is for a total estimated amount of \$1,187 million (inclusive of GST and indexation estimates) over the 14-year contract duration consisting of about two years transition in and 12 years of service delivery.

The CMS04 Service B contract was signed by the Australian Customs Service and Australian Helicopters Pty Ltd on 29 August 2005. The contract is for a total estimated amount of \$106 million (inclusive of GST and indexation estimates) over the 14-year contract duration consisting of about two years transition in and 12 years of service delivery.

(b) The CMS04 Service A contract delivers surveillance services offered via a fleet of six Dash 8-202 aircraft and four Dash 8-315 longer endurance aircraft with all 10 aircraft planned to be operational at the service handover date of 1 January 2008 and the Surveillance Information Management System (SIM) available by 1 July 2008. There is also provision for a capability enhancement and technology refresh program throughout the duration of the contract.

The CMS04 Service B contract delivers helicopter surveillance, response, transport and logistic support services offered via a fleet of one Bell 412EP twin engine helicopter and one Eurocopter AS350B3 Squirrel helicopter planned to be operational at the service handover date of 1 July 2007. There is also provision for a capability enhancement and technology refresh program throughout the duration of the contract

(c) (i) and (ii) For the CMS04 Service A contract, five Dash 8-202 aircraft are operating under the current contract with Surveillance Australia. The sixth Dash 8-202 and the first Dash 8-315 aircraft have already been acquired by Surveillance Australia. Orders have been placed with Bombardier for the remaining three Dash 8-315 aircraft and they will become progressively available from the

Bombardier production line. All aircraft will be fitted out with improved electro-optical sensors, infrared sensors and radars during the transition in period and the entire fleet of 10 aircraft is planned to be operational by the service handover date of 1 January 2008. The Surveillance Information Management System (SIM) will be progressively developed during the transition in period, and will be fully operational by 1 July 2008.

For the CMS04 Service B contract, the Bell 412EP twin engine helicopter is operating under the current contract with Australian Helicopters and an order will be placed in 2006 for the Eurocopter AS350B3 Squirrel helicopter. During the transition in period, the Bell 412EP helicopter will be fitted out with improved electro-optical sensors and infrared sensors and the Eurocopter AS350B3 Squirrel will be commissioned. Both helicopters are planned to be operational by the service handover date of 1 July 2007. (Note that the Eurocopter AS350B3 Squirrel is used primarily for transport and logistic support and it is capable of being used for supplementary surveillance purposes although it is not required to be fitted with electro-optical sensors and infrared sensors.)

(c) (iii) The new CMS04 Service A contract will double the fleet of highly capable long-range fully electronic surveillance aircraft available under the existing contract from five to 10. The new electro-optical sensors, infrared sensors and radars carried by these aircraft will enable crews to detect significantly smaller targets and allow detection of targets at a greater range.

For the new CMS04 Service B contract, the new electro-optical sensors and infrared sensors on the Bell 412EP twin engine helicopter will enable crews to detect significantly smaller targets and allow detection of targets at a greater range. The new Eurocopter AS350B3 Squirrel will provide greater performance in both speed and range over the current Bell 206 it replaces.

(c) (iv) Refer to (i) and (ii) above.

(d) Refer to (a) above.