

Project JP154 Phase 1 – Defence Counter Improvised Explosive Device Capability Facilities and Infrastructure Project

- 3.1 The Department of Defence (Defence) seeks approval from the Committee to provide the facilities and supporting infrastructure necessary to support its Counter Improvised Explosive Device (IED) Capability.
- 3.2 The purpose of the proposed project is to deliver new and refurbished, purpose-built facilities and associated infrastructure to support the introduction of a sustainable Counter IED capability into the Australian Defence Force.¹
- 3.3 There are 13 project elements that make up the proposed project. These project elements are being delivered in two distinct stages at various Defence bases and establishments. The collective proposed works will support the testing and storage of counter IED equipment and training of personnel.²
- 3.4 The works proposed under Stage 1 will be delivered at Nurrungar in South Australia. Twelve elements make up the package defined as Stage 2 works which include support facilities at multiple bases around Australia.
- 3.5 Stage 2 works were previously approved by the Public Works Committee and construction on these sites commenced in October 2013. Some elements of the Stage 2 works have been completed and some are still under construction.³
- 3.6 It is the Stage 1 works which are the subject of this chapter. The estimated cost of the project is \$24.7 million, excluding GST.

1 Department of Defence (Defence), submission 1, p. 5.

2 Defence, submission 1, p. 3

3 Defence, submission 1, p. 3.

3.7 The project was referred to the Committee on 23 September 2014.

Conduct of the inquiry

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

3.9 The Committee received one submission and one supplementary submission from Defence. A list of submissions can be found at Appendix A.

3.10 The Committee conducted an inspection, public hearing and in-camera hearing on the project on 19 and 20 November 2014 in Nurrungar and Woomera in South Australia. 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

3.11 Defence informed the Committee that the use of IEDs by insurgents continues to represent a major threat to Australian Defence Force elements deployed on operations around the world. This threat also has potential to migrate to mainland Australia and countries within Australia's immediate neighbourhood. It is highly likely that the Australian Defence Force will encounter IEDs on future deployments.⁵

3.12 The 2013 Defence White Paper recognises this threat and supports the enhancement of Counter IED capabilities into the future.⁶

3.13 To counter this threat, Counter IED capabilities, primarily in the form of Force Protection Electronic Counter Measures (FPECM) systems, have been acquired by Defence under Joint Project 154 Phase 1 to protect deployed forces.⁷

3.14 Defence has observed that as time progresses, threat elements are embracing Radio Frequency consumer products with frequencies extending beyond those that can be countered by current FPECM systems. To effectively counter the extant, emerging and future IED threats, a continuous technology refresh program is required.⁸

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

5 Defence, submission 1, p. 1.

6 Defence White Paper 2013, p. 19.

7 Defence, submission 1, p. 2.

8 Defence, submission 1, p. 2.

- 3.15 Facilities are required to support this ongoing capability in terms of testing (research and engineering acceptance), storage and training facilities for the FPECM systems.⁹
- 3.16 Defence told the Committee that currently, there are very limited facilities to support the FPECM systems capability. Research and development, engineering acceptance, storage and training activities are being undertaken in an ad hoc manner and this arrangement is neither effective nor economical.¹⁰
- 3.17 Current temporary testing arrangements at Nurrungar impose limitations on fully developing the capability and alternative offshore options are expensive and time-consuming to plan and utilise, according to Defence.¹¹
- 3.18 The proposed works will allow Defence to address identified operational and capability deficiencies and provide the ability to fully and effectively introduce and support the capability into the Australian Defence Force. It is expected that other Government agencies will also benefit from the proposed works in support of domestic security requirements.¹²
- 3.19 The Committee is satisfied that the need for the works exists.

Reasons for adopting the proposed course of action

- 3.20 Defence told the Committee that FPECM Systems are continuously improved through research and development to ensure that they remain effective into the future.¹³
- 3.21 Currently, the Australian Defence Force can only conduct limited research, development and testing to vehicle mounted FPECM Systems, due to severe limitations on when and where the testing can be conducted and the radio frequency spectrum that can be tested. The limitations on the testing are in place to minimise the emission of radio frequency radiation and consequent interference with civilian and military radio communications.¹⁴
- 3.22 When asked by the Committee why this particular location was chosen for the proposed works, Brigadier Naumann said:

... this is a very electronically quiet area, which means that we do not have background electromagnetic radiation levels that might

9 Defence, submission 1, p. 2.

10 Defence, submission 1, p. 2.

11 Defence, submission 1, p. 2.

12 Defence, submission 1, p. 3.

13 Defence, submission 1, p. 15.

14 Defence, submission 1, p. 15.

interfere with the testing that we are undertaking. Also, because of the isolation of the site it means that there is a reduced risk of the testing that we do interfering with civilian activities going on nearby.¹⁵

- 3.23 The proposed works will further develop the Australian Defence Force's counter IED capability and ensure that FPECM systems remain effective.¹⁶
- 3.24 Following its visit to the existing temporary testing site and the nearby proposed site, the Committee is satisfied that Defence's reasons for adopting the proposed course of action are sound.

Scope of the works

- 3.25 The proposed facilities at Nurrungar and RAAF Base Edinburgh will close existing gaps in the Australian Defence Force's capability to conduct research, development and acceptance testing of FPECM equipment. The Nurrungar works form the central facilities component supporting the capability and include a test track and support facilities. Under Stage 2, other support facilities works will be carried out at multiple bases around Australia to further develop, store and maintain the capability.
- 3.26 Nurrungar was selected as the site for the test track and supporting infrastructure, as it provided the following advantages:
- it is located on Commonwealth land;
 - ease of access to services in the nearby Woomera township, decreasing the need for additional supporting infrastructure;
 - Defence Science and Technology Organisation modelling has indicated that the siting option minimises radio frequency leakage to the outside environment through natural terrain shielding and has zero line of sight from the Stuart Highway, thereby minimising effects on nearby populated areas and vehicles transiting the Stuart Highway;
 - the area is relatively 'electronically quiet' which makes it ideal for the conduct of electronic warfare testing; and
 - this option received the support of the local Aboriginal groups.¹⁷
- 3.27 The proposed work to be delivered at Nurrungar is as follows:
- Test track. A bitumen sealed road to allow testing of FPECM equipment mounted onto various Defence vehicles. Monitoring stations are located perpendicular to the test track and are connected to the test recording building with fibre optic cables.

15 Brigadier Darren Naumann, Defence, transcript of evidence, 20 November 2014, p. 4.

16 Defence, submission 1, p. 15.

17 Defence, submission 1, p. 5.

- Test recording building. This building will be used to capture and record the results from the test track. The proposed facility will include office space, basic amenities and a server room.
 - Workshop. The proposed workshop is connected to the test recording building and will accommodate heavy vehicles to enable the installation, programming and fault finding of FPECM equipment.
 - Access road. A new unsealed, all-weather road is proposed to be constructed from the existing Nurrungar access road (which links the Stuart Highway and the disused Nurrungar Technical Compound) to the test track. The new access road will accommodate a range of vehicles, from light passenger to Bushmaster military vehicles. The alignment of the new access road avoids areas of heritage significance.
 - Engineering services. Power, voice and data communications are proposed to be supplied to the test recording building by recommissioning existing infrastructure. New local water and sewerage infrastructure is also proposed to service the amenities at the test recording building.¹⁸
- 3.28 Siting of the test track facility was severely constrained by the operational requirement to minimise radio frequency leakage to the outside environment. Nurrungar was selected as the preferred site because early investigations showed that the site met the radio frequency shielding requirements and provided the added benefit of being located in close proximity to existing Defence infrastructure at Woomera.¹⁹
- 3.29 Three geographic locations were considered for the test track within the boundaries of the Commonwealth-owned land at Nurrungar. Of these, the Entrance Road was discounted, as it did not meet the radio frequency shielding requirement and was visible from the Stuart Highway. The Central Valley was removed as an option due to the presence of culturally significant indigenous sites. The Western Valley was chosen as the preferred site following confirmation it met the project siting requirements and was preferred by the Traditional Owners (see below).
- 3.30 Subject to Parliamentary approval of the project, construction of Stage 1 works at Nurrungar will commence in April 2015 and are due to be completed by late 2015.²⁰
- 3.31 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.
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18 Defence, submission 1, pp. 6-7.

19 Defence, submission 1, p. 7.

20 Defence, submission 1, p. 24.

Community consultation

- 3.32 Defence told the Committee that it engaged with a variety of internal and external stakeholders in each of the regions impacted by the proposal.²¹
- 3.33 The two-pronged community consultation strategy Defence adopted was:
Broadly, ... undertaken with the objectives of:
- ensuring that the community was informed about the project using effective, proven communication channels; and
 - ensuring the community had every opportunity to raise issues of concern so that wherever feasible, they could be addressed by Defence in its program of works.²²
- 3.34 Under its project consultation plan, Defence undertook five main activities, namely:
- stakeholder briefings;
 - letterbox drop to all residents of Woomera in South Australia, and the immediate surrounding area;
 - communications with local, state and federal political representative;
 - targeted consultation with the Bungarla and Kokatha Unwankara Aboriginal groups in South Australia; and
 - provision of a project specific email address to receive community feedback.²³
- 3.35 Defence reported that no significant issues that will impact on the proposed works, apart from Aboriginal anthropological and heritage issues in Nurrungar, South Australia, were identified as a result of its community consultations (see below).²⁴
- 3.36 Regarding the Aboriginal anthropological and heritage issues in Nurrungar, Defence 'is satisfied that strategies have been developed that will provide appropriate mitigation'.²⁵

Consultation with Aboriginal Traditional Owners

- 3.37 Consultation between Defence and Aboriginal Traditional Owners in early 2011 resulted in parts of Nurrungar being identified as previously undiscovered sacred sites. The Traditional Owners indicated that any

21 Defence, submission 1, p. 17.

22 Defence, submission 1.2, p. 2.

23 Defence, submission 1.2, p. 2.

24 Defence, submission 1.2, p. 1.

25 Defence, submission 1.2, p. 1.

modification to the identified area would result in significant impacts to indigenous ceremonial values and sites.²⁶

- 3.38 An archaeologist and an anthropologist were engaged by Defence to undertake consultation with the Traditional Owners and to conduct an indigenous heritage assessment of the whole Nurrungar area. In February 2013, this assessment culminated in an Aboriginal Heritage Management Plan. The plan complies with the requirements of the *Environment Protection and Biodiversity Conservation Act 1999*.²⁷ Dr Tim Owen said of the process of consultation with the Traditional Owners:

The Kokatha Aboriginal elders²⁸ have described the area around the Nurrungar valley as containing a very important cultural landscape to them. My understanding is that it is part of them. It is part of their lives and their lives are part of it. To be denied access or to be excluded from that area would cause them great personal harm and harm to the community. ... The process has involved four years of consultation ... [which] has led to the development of a site specific heritage management plan. That plan is not just for this project; that plan is for all Defence users of this range going forward for the immediate and the long-term future. That plan was developed with the community and specifies how and where the Department of Defence should use this land.²⁹

- 3.39 Defence's engagement with the Aboriginal Traditional Owners over four years included attending community meetings to present the need and reasons for the project; providing Aboriginal groups with project updates and working with Aboriginal groups to conduct several surveys to determine the most suitable location for the proposed works to minimise impacts on culturally sensitive locations.³⁰
- 3.40 Following the consultation phase, Defence determined that the Western Valley was the most suitable location for the test track, as it met Defence's functional and operational requirements for the facility and it was acceptable to the Aboriginal Traditional Owners.³¹
- 3.41 At the public hearing Brigadier Naumann told the Committee that:

26 Defence, submission 1, p. 16.

27 Defence, submission 1, p. 16.

28 As directed by the Federal Court's Native Title decision, from 1 September 2014 the Kokatha Unwankara Aboriginal people will be called the Kokatha Aboriginal Corporation (KAC).

29 Dr Tim Owen, GML Heritage, transcript of evidence, 20 November 2014, p. 5.

30 Defence, submission 1.2, pp. 2-3.

31 Defence, submission 1, p. 17.

There are some very significant heritage areas in that particular area, and we were very concerned to ensure that what we did, did not adversely impact on those heritage values any more than we absolutely necessarily had to, with agreement from the groups.³²

3.42 Speaking about the consultation process between Defence and the Traditional Owners, Dr Owen said that:

[Defence] allowed us³³ the time, as the experts, to communicate with the community and let the community have the time to communicate and discuss amongst themselves, and then come back to Defence and make the recommendations for this specific project, so that Defence could take that information and implement it through their actual planning process. In terms of that process, this project has gone above and beyond the standards and the norms that we see in and across Australia.³⁴

Public Works Committee's community consultation

3.43 On the evening before the public hearing, the Committee held a 'community consultation' in Woomera. This was advertised as an opportunity to meet Committee Members to raise any concerns about the project. It was advertised in the local media for several weeks prior to the Committee's visit. On the evening, approximately 15 people attended, including the local Elders.

3.44 The first question raised was whether locals would be engaged in the project. It was noted that subsidised housing for non-locals can make tenders from locals uncompetitive. Further, it was stated that if a local wins the work, he/she has a reputation to maintain in the town and therefore, while the local contractor may not tender the lowest price, in the long run a local contractor may represent the best value for money.

3.45 The question was raised as to whether indigenous locals would be given any preference for jobs, particularly those opportunities with some on-the-job training.

3.46 Defence was asked at the public hearing if there would be a requirement for the contractors to engage indigenous and other locals in the project. Brigadier Naumann said that:

Defence contracting ... are required to undertake contracting in accordance with the Commonwealth procurement rules. The overriding provision within that is value for money, and we are

32 Brigadier Darren Naumann, Defence, transcript of evidence, 20 November 2014, p. 5.

33 Dr Tim Owen, project archaeologist and Mr Andrew Morley, project anthropologist.

34 Dr Tim Owen, GML Heritage, transcript of evidence, 20 November 2014, p. 5.

not permitted to make directions to contractors to employ certain individuals. However, [we can] encourage construction contractors to employ local subcontractors, local personnel, wherever possible. ... there will be occasions when it is more cost-effective for a contractor to use a local subcontractor, should one be available. So we will be encouraging our tenderers for the contracting work here in Nurrungar to make maximum use of local subcontractors where they are available.³⁵

- 3.47 Mr Andrew Starkey³⁶ raised the issue of asbestos contamination at the site, which was unearthed during a past rain event. Also on site are piles of old fencing, pests such as feral goats and noxious weeds. Mr Starkey expressed an interest in seeing these things cleared from the site during the project works. At the public hearing Brigadier Naumann said:

We are not aware of particular deposits of asbestos ... [but] where we do discover asbestos we will deal with that asbestos, and any other contaminant that we do discover. We have long-standing policies and practices that govern how contractors are required to deal with asbestos on our projects, and that will be made clear to the successful contractor once they are appointed. ... In terms of other rubbish: yes, ... there are piles of barbed wire and so on and we would be looking to include some arrangements within the contract to clean up a bit of that if it falls within the work area. At this stage though, this project is not about doing a clean-up of Nurrungar as such; this project is about providing counter IED capability to the Defence Force. We are neither funded nor able to undertake a full clean-up of Nurrungar, should that be required, but we will certainly deal with waste as we discover it through the contract.³⁷

Cost of the works

- 3.48 The estimated cost of both stages of this facilities project is \$24.7 million, excluding GST.
- 3.49 Defence provided further detail on the project costs in the confidential submissions and during the in-camera hearing.
- 3.50 The Committee considers that the cost estimates for the project have been adequately assessed by Defence and the Committee is satisfied that the

35 Brigadier Darren Naumann, Defence, transcript of evidence, 20 November 2014, p. 2.

36 Mr Andrew Starkey, Chairman of the KAC and Kokatha Elder.

37 Brigadier Darren Naumann, Defence, transcript of evidence, 20 November 2014, p. 2.

proposed expenditure is cost effective. As the project will not be revenue generating the Committee makes no comment in relation to this matter.

Committee comments

- 3.51 The Committee thanks the Kokatha Aboriginal Corporation Traditional Owners for welcoming its Members to Nurrungar, which is of such importance to all Kokatha people.
- 3.52 The Committee acknowledges that the site of the proposed works has always been a place of significance and importance to Kokatha people.
- 3.53 The Committee commends the Traditional Owners and Defence for working together co-operatively over several years to find a suitable site for the project.
- 3.54 While understanding that the project as defined is not about undertaking a clean-up of Nurrungar, the Committee expects Defence to take whatever steps it can to remove buried asbestos, old fencing, feral goats and noxious weeds as may be found during the project works.
- 3.55 The Committee also encourages Defence to do what it can to encourage the chosen contractor to use local sub-contractors and local indigenous people wherever possible.
- 3.56 The Committee did not identify any issues of concern with Defence's proposal and is satisfied that the project has merit in terms of need, scope and cost.
- 3.57 The Committee reminds Defence that it must notify it 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 report template can be found on the Committee's website.
- 3.58 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

- 3.59 **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: Project JP154 Phase 1 - Defence Counter Improvised Explosive Device Capability Facilities and Infrastructure Project.**

Karen Andrews MP

Chair

27 November 2014

