

Project AIR7000 Phase 2B – Maritime Patrol Aircraft Replacement Project

- 2.1 The Department of Defence (Defence) seeks approval from the Committee to provide facilities, infrastructure and airfield works for the introduction of new Boeing P-8A Poseidon aircraft.
- 2.2 The proposed facilities include administration, operations, simulation and training, maintenance hangars, workshops to conduct operational level maintenance, aircraft pavements, aircraft rinse facilities, explosive ordnance facilities and associated engineering services.¹
- 2.3 The works would be undertaken at the main operating base at RAAF Base Edinburgh, SA, and designated forward operating bases at RAAF Bases Darwin, NT, Pearce, WA, and Townsville, Qld. Minor works would also be undertaken at HMAS Stirling, WA.²
- 2.4 The estimated cost of the project is \$707.9 million, excluding GST.
- 2.5 The project was referred to the Committee on 28 October 2014.

Conduct of the inquiry

- 2.6 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 2.7 The Committee received one submission and three supplementary submissions from Defence. A list of submissions can be found at Appendix A.
- 2.8 The Committee conducted an inquiry briefing and inspection, and public and in-camera hearings, in Adelaide on 29 January 2015. A transcript of

1 Defence, submission 1, p. 8.

2 Defence, submission 1, p. 8.

the public hearing and the public submissions to the inquiry are available on the Committee's website.³

Need for the works

- 2.9 The 2013 Defence White Paper stated that Defence will continue to provide 'effective intelligence, surveillance and reconnaissance capability across Australia's vast maritime area of interest. This will require ongoing sustainment of the frequently used but ageing AP-3C Orion fleet, along with the timely acquisition of a replacement capability'.⁴
- 2.10 The White Paper identified that Government intends to replace the AP-3C Orion fleet with P-8A Poseidon aircraft, complemented by unmanned aircraft capable of undertaking broad area maritime surveillance and fleet overwatch. The goal is to provide long-range, long-endurance maritime surveillance and response and an effective anti-submarine and anti-surface warfare capability.⁵
- 2.11 The project being assessed by the Committee provides the facilities, infrastructure and airfield works to support the new aircraft. The size and weight of the P-8A aircraft will require new maintenance hangars at RAAF Bases Edinburgh and Darwin to operate and maintain these new aircraft. The P-8A aircraft is wider and heavier than the AP-3C Orion and will be more demanding, and potentially damaging, on aircraft pavements. Upgrades including strengthening of existing pavements and runway lengthening to a number of RAAF and joint user airfields are required.⁶
- 2.12 Further, the agreement between the United States of America (USA) and Australia for the supply of the P-8A aircraft requires that Australia comply with certain specific USA security requirements. These include the information and physical security of all aspects of the aircraft system, including training, maintenance and operations. The security requirements must meet the higher physical security zone requirements of the Protective Security Policy Framework. The physical security of the aircraft requires a secure apron and maintenance areas, while uninstalled components (software and hardware) require secure storage.⁷
- 2.13 There are two aspects to the need for an increased level of security:

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

4 2013 Defence White Paper, p. 88; Defence, submission 1, p. 4.

5 Defence, submission 1, p. 4.

6 Defence, submission 1, p. 8.

7 Defence, submission 1, p. 8.

The first part is... protecting Australia's national interests. ...there is an increased capability in sensors and also in communications devices. That increases the security space in which we will work with the P-8A. The second part is the US government's International Traffic in Arms Regulations that limit people's access to US-acquired capability.⁸

2.14 The Committee is satisfied that the need for the work exists.

Options considered

2.15 Defence has completed concept design activities for the project. During this process, alternatives for reuse of existing facilities were considered. However, due to the need to maintain the AP-3C Orion in service until the P-8A fleet is fully operational, opportunities for reuse are limited and introduce additional costs associated with decanting AP-3C functions and unacceptable capability risks.⁹

2.16 In addition, the existing facilities at RAAF Bases Edinburgh and Darwin do not meet the higher physical security zone requirements of the Protective Security Framework for the facilities, as stipulated in the agreement between the USA and Australia for the supply of the P-8A Poseidon aircraft and would require substantial improvements to achieve the required standard.¹⁰

2.17 Various siting options for the facilities were considered at RAAF Bases Edinburgh and Darwin, with site-specific considerations determining the preferred location.¹¹

2.18 Options considered for runway extensions at RAAF Bases Edinburgh, Townsville and Pearce included relocating the existing runway thresholds (coincidental threshold) or adding pavement pre-threshold for take off only (displaced threshold).¹² Displaced threshold options are preferred for each site.¹³

2.19 Further detail on the range of options considered can be found in Defence's submission.¹⁴

2.20 The Committee found that Defence has considered multiple options to deliver the project and has selected the most suitable option.

8 Wing Commander Lee Read, Defence, transcript of evidence, 29 January 2015, p. 3.

9 Defence, submission 1, p. 11.

10 Defence, submission 1, p. 11.

11 Defence, submission 1, p. 13, 17.

12 Defence, submission 1, p. 12.

13 Defence, submission 1, p. 15, 20, 21.

14 Defence, submission 1, pp. 11-22.

Scope of the works

- 2.21 The scope of the works at RAAF Base Edinburgh includes:
- 92 Wing facility (including hangar maintenance and operational facility and operational conversion facility);
 - airfield works (including runway extension, taxiways and runway thresholds, high intensity approach lighting, apron and aircraft rinse facility);
 - engineering infrastructure;
 - carparking;
 - other facilities (existing facilities impacted by proposed works); and
 - temporary works to support initial operations until the new facilities are completed.¹⁵
- 2.22 Defence advised that the temporary works at RAAF Base Edinburgh are minor and will be used for approximately 18 months between the arrival of the first aircraft and the completion of the facilities.¹⁶
- 2.23 Works at RAAF Base Darwin include:
- 92 Wing facility (including hangar maintenance and operational facility);
 - airfield works (including aircraft rinse facility, parking apron and fuel hydrant line); and
 - engineering infrastructure.¹⁷
- 2.24 Works at RAAF Base Townsville include:
- runway extension;
 - redevelopment of existing maritime ordnance loading aprons 13 and 14; and
 - aircraft rinse facility.¹⁸
- 2.25 Works at RAAF Base Pearce include:
- runway extension;
 - parking apron;
 - aircraft rinse facility; and
 - redevelopment of the existing ordnance loading apron.¹⁹

15 Defence, submission 1, pp. 14-16.

16 Brigadier Noel Beutel, Defence, transcript of evidence, 29 January 2015, p. 3.

17 Defence, submission 1, pp. 17-19.

18 Defence, submission 1, pp. 19-20.

19 Defence, submission 1, pp. 20-21.

- 2.26 Works at HMAS Stirling include:
- construction of a new earth covered building for the storage of explosive ordnance; and
 - refurbishment to the existing torpedo maintenance facility to accommodate additional torpedo testing and maintenance equipment.²⁰
- 2.27 For full detail on the scope of the works, refer to Defence’s submission²¹ and the transcript of the public hearing.²²
- 2.28 Subject to Parliamentary approval of the project, construction is expected to commence in October 2015 at RAAF Base Edinburgh and HMAS Stirling. Works at the forward operating bases are planned to commence in 2018, but may be delivered earlier if funding is available. All works are expected to be completed by the end of 2020.²³
- 2.29 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Cost of the works

- 2.30 The estimated cost of the project is \$707.9 million, excluding GST.
- 2.31 Defence provided further detail on the project costs in the confidential submissions and during the in-camera hearing.
- 2.32 The Committee considers that the cost estimates for the project have been adequately assessed by Defence and the Committee is satisfied that the 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

- 2.33 The Committee commends Defence for the community consultation it has undertaken throughout the project. In particular, the Committee applauds Defence for its consultation with traditional owners and Indigenous communities and the protocols in place to deal with expected or chance finds.²⁴ The Committee expects that community consultation will continue throughout the project.
- 2.34 The Committee also notes community consultation undertaken with regard to Penfield Road, adjacent to RAAF Base Edinburgh. The required runway extension would impact on the road and while the local council

20 Defence, submission 1, pp. 21-22.

21 Defence, submission 1, pp. 11-22.

22 Brigadier Noel Beutel, Defence, transcript of evidence, 29 January 2015, pp. 1-2.

23 Defence, submission 1, pp. 38-39.

24 Mr David Fairweather, Aurecon, transcript of evidence, 29 January 2015, p. 7.

preferred the road to be closed, Defence's community consultation showed a fairly even split of preferences for closing the road or keeping it open.²⁵ In view of this, Defence is investigating the feasibility of a jet-blast wall at the end of the runway to allow the road to remain open.²⁶

- 2.35 With regard to heritage assessments, the Committee notes that some existing buildings may have high heritage ratings. However, Defence assured the Committee that these buildings are not located on the same footprint as the proposed facilities, and as such, the project can be delivered irrespective of the outcome of further heritage assessments.²⁷
- 2.36 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. 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.
- 2.37 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 1

- 2.38 **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 AIR7000 Phase 2B - Maritime Patrol Aircraft Replacement Project.**

25 Defence, submission 1, p. 30; Defence, submission 1.3, p. [6].

26 Brigadier Noel Beutel, Defence, transcript of evidence, 29 January 2015, p. 6.

27 Brigadier Noel Beutel, Defence, and Mr David Fairweather, Aurecon, transcript of evidence, 29 January 2015, p. 5.