

Delamere Air Weapons Range Redevelopment Project, Northern Territory

- 4.1 The Department of Defence (Defence) seeks approval from the Committee to undertake redevelopment works at the Delamere Air Weapons Range (Delamere) in the Northern Territory.
- 4.2 Delamere is the primary range for the Royal Australian Air Force (RAAF) and has been in service since 1988. It is currently used for training in air weapons, special operations and ground defence for Australian Defence Force units and foreign forces.¹
- 4.3 The primary objective of the project is to provide fit for purpose facilities and infrastructure that is capable of supporting Delamere's current and future operational requirements.²
- 4.4 The estimated cost of the project is \$74.4 million, excluding GST.
- 4.5 The project was referred to the Committee on 17 September 2015.

Conduct of the inquiry

- 4.6 Following referral, the inquiry was publicised on the Committee's website and via media release.
- 4.7 The Committee received one submission and three supplementary submissions from Defence. A list of submissions can be found at Appendix A.
- 4.8 The Committee received a briefing from Defence and conducted public and in-camera hearings at Ipswich on 4 November 2015. The Committee conducted the hearings for this project in Ipswich while it was there in relation to other Defence projects, as discussed in Chapters 2 and 3. A

1 Defence, submission 1, pp. 1-2.

2 Defence, submission 1, p. 11.

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

Need for the works

- 4.9 Following a review in 2012, Delamere's Training Area Capability Board identified three major deficiencies:
- existing facilities are located within weapons danger areas and therefore limit operations and activities;
 - boundary fencing is not adequately secured or signposted; and
 - existing infrastructure and roads require upgrading.⁴
- 4.10 The Board concluded that a redevelopment was needed to support future requirements. Further, the Chief of the Air Force confirmed that Delamere was likely to see a future increase in exercise activity and requirements from Australia's coalition partners.⁵
- 4.11 Therefore, proposed works will include improving boundary security, upgrading infrastructure, road networks and the airfield and relocating facilities to increase space for target and weapons training.⁶
- 4.12 Additionally, a Mobile Threat Training Emitter System (MTTES) will be installed at Delamere and will expand the range's capability. This work falls under the Growler Airborne Electronic Attack Capability Facilities Project (Growler Project)⁷ and is discussed in Chapter 3.
- 4.13 At the public hearing the Committee sought clarification regarding Defence's priorities, given that aspects of two different projects are planned for Delamere. Defence responded:

The MTTES infrastructure needs to be completed by December 2018 in order to meet the MTTES ready-for-training milestones in 2019. What we are trying to do is capture efficiencies for the two projects that will be going on. That will then assist the MTTES, making sure we are ready for those milestones for the initial operation capability for the airborne electronic attack aircraft from July 2018 onwards.⁸

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

4 Defence, submission 1, p. 3.

5 Defence, submission 1, p. 1.

6 Defence, submission 1, p. 3.

7 Defence, submission 1, p. 1.

8 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 4.

4.14 The Committee also heard that the majority of the facilities at Delamere have been in place since 1988.⁹

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

Options considered

4.16 In addition to poor location, many of the existing facilities have deteriorated and no longer meet current building standards or functional requirements. Consequently, Defence has determined that they are not suitable for reuse.¹⁰

4.17 Defence's preferred option is, therefore, to construct new facilities near the range's existing entry and to relocate all supporting capabilities and infrastructure accordingly.¹¹

4.18 The Committee notes that Defence investigated the option of reusing existing facilities, but found this would be neither practical nor cost-effective. The Committee accepts that Defence has chosen the most suitable option.

Scope of the works

4.19 Defence has separated the work into nine scope elements:

4.20 **Scope Element 1 - Range Control Accommodation**

This will include a central kitchen, dining and gym facility, recreation rooms for permanent and visiting personnel, permanent staff and visitor accommodation; and covered walkways.¹²

4.21 **Scope Element 2 - Range Operations Centre**

A range operations centre, explosive ordnance store and helipad are proposed as well as necessary fencing and access control.¹³

4.22 **Scope Element 3 - Maintenance Areas and Workshops**

This will include a new maintenance building, refuel point and wash bay and ramp.¹⁴

4.23 **Scope Element 4 - Site Wide Infrastructure**

This will include civil and landscaping site works, relocation and replacement of communications and security, new bores for water supply

9 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 3.

10 Defence, submission 1, p. 6.

11 Defence, submission 1, p. 6.

12 Defence, submission 1, pp. 12-14.

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

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

and distribution and new gas, fire, sewerage and stormwater systems. It will also include a new Central Power station to be a hybrid solar and diesel system.¹⁵

4.24 Scope Element 5 – Alternative High Explosive Impact Area

A new impact area and target scoring system are required to support training requirements.¹⁶

4.25 Scope Element 6 – Road Network

Upgrades to six essential roads are proposed: main access roads (1, 2A and 2B); and target access roads (12, 13 and 14).¹⁷

4.26 Scope Element 7 – Boundary Fence

Approximately 200km of fencing needs to be constructed or upgraded. This will include associated firebreaks.¹⁸

4.27 Scope Element 8 – Airfield

This will include repairing or replacing the turning node, airfield markers, existing apron and surrounding shoulders.¹⁹

4.28 Scope Element 9 – Demolition and Remediation

This will comprise demolition of the existing Range Control Complex and surrounding facilities.²⁰

4.29 At the public hearing, the Committee was shown images of deteriorating boundary fences, the high explosive impact area and the proposed Central Power station and solar farm.

4.30 Defence told the Committee that a new slip lane will be constructed to allow trucks to safely turn off the Buntine Highway into Delamere. The majority of these works will be included under the Growler Project; however the mid-range intersection will be funded under the current project.²¹

4.31 During the public hearing, the Committee commented on the internal road network, especially with regard to ease of access to the proposed accommodation facilities. Defence assured the Committee that the

15 Defence, submission 1, pp. 16-18.

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

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

18 Defence, submission 1, p. 20.

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

20 Defence, submission 1, p. 21.

21 Mr Kieran Sarri, Lend Lease, transcript of evidence, 4 November 2015, p. 5.

proposed site is on a sealed access road which leads to Delamere's range area.²²

- 4.32 Subject to Parliamentary approval of the project, construction is expected commence in mid 2016 and be completed by mid 2018.²³
- 4.33 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.

Safety considerations

- 4.34 Having seen photographs showing the poor state of the boundary fence, the Committee queried what security measures were in place to ensure the safety of personnel during weapons testing. Defence assured the Committee that extra security measures, such as sentries, are employed under these circumstances.²⁴
- 4.35 The Committee also expressed concern regarding changes to the inner test-range boundary at Delamare, but was subsequently assured that this posed no threat to safety of anyone in the vicinity.²⁵

Traditional owners

- 4.36 The range includes a number of sites significant to the traditional owners, the Wardaman people and is subject to an Indigenous Land Use Agreement.²⁶
- 4.37 Defence has sought a capability statement from the traditional owners to ensure those with relevant skills are aware of contractual opportunities.²⁷
- 4.38 At the public hearing, the Committee also heard about the Indigenous procurement policy that is in place:

...the new Indigenous procurement policy was released by government earlier this year. It requires us to address, in a twofold manner, Indigenous procurement very particularly... The first is a mandatory set-aside. For any contracts between \$80,000 and \$200,000, we need to first consider if there are any Indigenous organisations that may be able to fill those services. That is a mandatory part of the policy that came in on 1 July this year, so that will be applied to the construction phase of the project.

22 Group Captains Ian Browning and Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 8.

23 Defence, submission 1, p. 30.

24 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 2.

25 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 2.

26 Defence, submission 1, p. 9.

27 Defence, submission 1, p. 9.

The second part of the Indigenous procurement policy is a minimum participation. That is done either at project level – achieving a certain number of Indigenous personnel or Indigenous companies contracted specifically for this project – or at an organisational level. The delivery contractor may undertake to employ a certain percentage of Indigenous personnel more broadly across their organisation and meet the policy in that manner. That is in addition to the [Indigenous Land Use Agreement].²⁸

4.39 Under the Commonwealth Procurement Rules, small and medium-sized Indigenous businesses may bid for contracts without participating in the expensive competitive tender process.²⁹ With regards to the proposed works at Delamere, Defence stated:

There is an opportunity there to employ small and medium-sized Indigenous or majority Indigenous companies; we are talking about 50-plus per cent Indigenous companies.³⁰

4.40 Defence is also liaising closely with the Regional Economic Development Committee in Katherine, Northern Territory, as a way of ensuring that Indigenous businesses have a chance of being involved.³¹

4.41 Mr Bill Harney, a member of the Wardaman people, attended the public hearing. Mr Harney told the Committee that while no one knew what the long-term results would be at the beginning the RAAF's presence in the Northern Territory did prove to be a good benefit for the local community.³²

4.42 Mr Harney also spoke of his own participation in constructing RAAF facilities:

They asked for an Aboriginal contractor and I put my hand up. I did all the fencing all around there in Delamere and the RAAF in Tindal. I built the camp, engine run-up, bomb shelter and a radar strike at Tindal. I had done all that. I had done a big one in Delamere bombing range. Then we went inside to declare all the sites and we took some of the old people out there to have a look and to explain it to them. They told me, 'Speak up, you know the country.' They sat back and listened and we declared all the sites

28 Mr James Taylor, Point Project Management, transcript of evidence, 4 November 2015, pp. 6-7.

29 Group Captain Ian Browning, Defence, transcript of evidence, 4 November 2015, p. 7.

30 Group Captain Ian Browning, Defence, transcript of evidence, 4 November 2015, p. 7.

31 Mr James Taylor, Point Project Management, transcript of evidence, 4 November 2015, p. 7.

32 Mr Bill Harney, Wardaman traditional owner, transcript of evidence, 4 November 2015, p. 9.

around and everything ready for people to go ahead and to put anything they want on it. That is what we were doing.³³

Community consultation

- 4.43 In accordance with its community consultation and communications strategy, Defence undertook the following consultative activities:
- detailed email correspondence with local groups and State and Federal members, with individual briefings conducted where requested;
 - notices in the local newspapers providing information on opportunities for the public to comment on issues relating to the project; and
 - a public consultation session held on 14 October 2015.³⁴
- 4.44 At the public consultation session, Defence responded to a number of issues, including a question from representatives of the Katherine Town Council about water quality in the surrounding area. Defence explained that water will be tested and a treatment plant will be constructed to produce drinking water that meets necessary standards.³⁵

Use by foreign forces

- 4.45 Foreign forces and Australia's coalition partners use Delamere for air weapons and special operations training and ground defence exercises.³⁶ The Chief of the Air Force has confirmed that this use is likely to increase.³⁷
- 4.46 At the public hearing, the Committee queried whether Australian forces might be displaced by this increase, Defence responded:
- From an operational perspective, the Australian forces would always take precedence over visitors to the range. There is a schedule of events. It is planned from one of our senior headquarters. That gives an indication. Under international engagement agreements, between the governments of Australia and some of the countries that come in and use the range, they are able to go in at set dates. They are always deconflicted with Australia's needs first, however, because of the forces that we might have to train to go overseas and conduct missions.³⁸

33 Mr Bill Harney, Wardaman traditional owner, transcript of evidence, 4 November 2015, p. 8.

34 Defence, submission 1.2, pp. 1-8.

35 Defence, submission 1.2, p. 9.

36 Defence, submission 1, p. 9.

37 Defence, submission 1, p. 1.

38 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 4.

4.47 The Committee also heard while cost-recovery arrangements may be in place for some foreign forces, this is not the case for all foreign forces. For example, the United States accesses Delamere free of charge.³⁹

4.48 In response to a question around cultural awareness training for visiting forces, Defence stated:

They get two briefings. One is the ground based brief. That will talk about all the safety issues; living and operating in the Northern Territory; environmental, cultural and heritage issues – that is by a team of specialist staff. As an aside, the Australians get that as well if they are not used to working up in the Northern Territory. The second briefing includes an air capability safety brief from the range control officer who is responsible for Delamere Air Weapons Range. That briefing will make sure that they are aware of all the neighbouring cattle stations, heights, restrictions...and things like that. If we do get any issues – and I am in contact with all of those landowners; they have my number – I address it at that time. But hopefully, with the parameters we have put in place with those briefings, we will not encounter any issues.⁴⁰

Environmental considerations

4.49 A site assessment at Delamere identified two threatened species of birds, the Gouldian Finch and the Crested Shrike-tit.⁴¹ See Chapter 3 for discussion.

Cost of the works

4.50 The estimated cost of the project is \$74.4 million, excluding GST.

4.51 Defence provided further detail on the project costs in the confidential submission and during the in-camera hearing.

4.52 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.

39 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 3.

40 Group Captain Mark Larter, Defence, transcript of evidence, 4 November 2015, p. 4.

41 Defence, submission 1, pp. 7-8.

Committee comments

- 4.53 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.
- 4.54 The Committee notes that the majority of the facilities at Delamere have been in use since 1988 and have therefore provided the taxpayer with value for money. The Committee expects the new facilities will also provide adequate longevity.
- 4.55 The Committee also notes that Defence continues to engage with the traditional owners and neighbouring communities.
- 4.56 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 4

- 4.57 **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: Delamere Air Weapons Range Redevelopment Project, Northern Territory.**
- 4.58 Proponent agencies must notify the Committee of any changes to the project scope, time, cost, function or design. The Committee also requires that a post-implementation report be provided within three months of project completion. A report template can be found on the Committee's website.

Senator Dean Smith

Chair

26 November 2015

