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The Parliament of the Commonwealth of Australia

Report 6/2014

# Referral made July 2014

- AIR 6000 Phase 2A/B New Air Combat Capability Facilities

Parliamentary Standing Committee on Public Works

October 2014  
Canberra

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## Membership of the Committee

**Chair**                Mrs Karen Andrews MP

**Deputy Chair**     Mr Graham Perrett MP

**Members**            Senator Matthew Canavan

Ms Sharon Claydon MP

Senator Alex Gallacher

Mr Ian Goodenough MP

Senator the Hon Bill Heffernan

Ms Joanne Ryan MP

Dr Andrew Southcott MP

## Committee Secretariat

Secretary	Dr Alison Clegg
A/Secretary	Ms Sara Edson (until 16 September)
A/Inquiry Secretary	Dr Cathryn Ollif
A/Senior Research Officer	Ms Fiona Gardner
Administrative Officers	Mrs Fiona McCann
	Ms Kathy Blunden



## List of recommendations

### 2 AIR 6000 Phase 2A/B New Air Combat Capability Facilities Project

#### Recommendation 1

The Committee recommends that Defence continues to consult with local communities and interested parties, where possible, to implement measures to mitigate noise impacts.

#### Recommendation 2

The Committee recommends that Defence continues to work with Hunter Water Corporation to ensure water quality is not compromised throughout and beyond the project.

#### Recommendation 3

The Committee recommends that Defence undertakes the appropriate traffic studies and provides them to the Committee, and that construction traffic is suitably managed.

#### Recommendation 4

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: AIR 6000 Phase 2A/B New Air Combat Capability Facilities Project.



## Introduction

- 1.1 Under the *Public Works Committee Act 1969* (the Act), the Parliamentary Standing Committee on Public Works is required to inquire into and report on public works referred to it through either house of Parliament. Referrals are generally made by the Parliamentary Secretary to the Minister for Finance.
- 1.2 All public works that have an estimated cost exceeding \$15 million must be referred to the Committee and cannot be commenced until the Committee has made its report to Parliament and the House of Representatives receives that report and resolves that it is expedient to carry out the work.<sup>1</sup>
- 1.3 Under the Act, a public work is a work proposed to be undertaken by the Commonwealth, or on behalf of the Commonwealth concerning:
  - the construction, alteration, repair, refurbishment or fitting-out of buildings and other structures;
  - the installation, alteration or repair of plant and equipment designed to be used in, or in relation to, the provision of services for buildings and other structures;
  - the undertaking, construction, alteration or repair of landscaping and earthworks (whether or not in relation to buildings and other structures);
  - the demolition, destruction, dismantling or removal of buildings, plant and equipment, earthworks, and other structures;
  - the clearing of land and the development of land for use as urban land or otherwise; and
  - any other matter declared by the regulations to be a work.<sup>2</sup>

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1 The *Public Works Committee Act 1969* (The Act), Part III, Section 18(8). Exemptions from this requirement are provided for work of an urgent nature, defence work contrary to the public interest, repetitive work, and work by prescribed authorities listed in the *Regulations*.

2 The Act, Section 5.

- 1.4 The Act requires that the Committee consider and report on:
- the purpose of the work and its suitability for that purpose;
  - the need for, or the advisability of, carrying out the work;
  - whether the money to be expended on the work is being spent in the most cost effective manner;
  - the amount of revenue the work will generate for the Commonwealth, if that is its purpose; and
  - the present and prospective public value of the work.<sup>3</sup>
- 1.5 The Committee pays attention to these and any other relevant factors when considering the proposed work.

## Structure of the report

- 1.6 The proposed project was referred to the Committee in July 2014 by the Parliamentary Secretary to the Minister for Finance, The Hon Michael McCormack MP.
- 1.7 In considering the work, the Committee analysed the evidence presented by the proponent agency, submissions and evidence received at public and in-camera hearings.
- 1.8 In consideration of the need to report expeditiously as required by Section 17(1) of the Act, the Committee has only reported on significant issues of interest or concern.
- 1.9 The Committee appreciates, and fully considers, the input of the community to its inquiries. Those interested in the proposal considered in this report are encouraged to access the full inquiry proceedings available on the Committee's website.<sup>4</sup>
- 1.10 The report addresses the proposed facilities requirements for the New Air Combat Capability across 10 RAAF Bases for the Department of Defence. The estimated cost of the project is \$1,477.4 million, excluding GST.
- 1.11 Submissions are listed at Appendix A, and hearings and witnesses are listed at Appendix B.

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3 The Act, Section 17.

4 <[www.aph.gov.au/pwc](http://www.aph.gov.au/pwc)>

## AIR 6000 Phase 2A/B New Air Combat Capability Facilities Project

- 2.1 The Department of Defence (Defence) seeks approval from the Committee to provide New Air Combat Capability facilities to support the acquisition of 72 F-35A aircraft.
- 2.2 The AIR6000 (New Air Combat Capability) Project Phase 2A/B will acquire 72 F-35A aircraft to replace the current fleet of F/A-18A/B (Classic Hornet) aircraft operated by the Royal Australian Air Force (RAAF).
- 2.3 The F-35A aircraft is a fifth-generation, multi-role fighter being developed for the United States of America and eight international partner nations, including Australia. Of the three variants being produced, Australia is purchasing the Conventional Take-Off & Landing variant. When integrated fully into a networked Australian Defence Force, Australia's F-35A will deliver the air dominance and strike functions currently provided by the Classic Hornet.<sup>1</sup>
- 2.4 The aim of the facilities project is to provide the facilities and supporting infrastructure necessary to support the introduction into service and operation of the new F-35A aircraft.<sup>2</sup>
- 2.5 The estimated cost of the project is \$1,477.4 million, excluding GST.
- 2.6 The project was referred to the Committee on 16 July 2014.

### Conduct of the inquiry

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

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

2 Defence, submission 1, p. 35.

- 2.8 The Committee received one submission and three supplementary submissions from Defence. The Committee also received four submissions from other interested parties. A list of submissions can be found at Appendix A.
- 2.9 The Committee conducted two inquiry-related briefings and inspections, at RAAF Base Amberley, near Ipswich, Queensland on 8 September 2014, and at RAAF Base Williamtown, near Newcastle, NSW on 10 September 2014.
- 2.10 A public hearing and an in-camera hearing were held on 10 September 2014 in Raymond Terrace, NSW, near RAAF Base Williamtown. Both hearings were continued on 23 September 2014 in Canberra. Transcripts of the public hearings and the public submissions to the inquiry are available on the Committee's website.<sup>3</sup>
- 2.11 The purpose of the Committee's visit to RAAF Base Amberley was to inspect the modern fighter facilities which are being used by the No. 1 Squadron which operates the Super Hornet aircraft. These high security facilities were completed in 2010. The Committee then visited RAAF Base Williamtown where facilities for the Classic Hornets are much older, being built in the 1960s and 1980s. This comparison allowed the Committee to better understand the facilities which are being proposed for RAAF Bases Williamtown and Tindal to support the F-35As when they arrive.

## Need for the works

- 2.12 The Defence White Paper 2013<sup>4</sup> confirmed the need for upgrade of the main operating bases at RAAF Bases Williamtown and Tindal and the proposed forward operating bases of Townsville, Darwin, Curtin, Scherger, Learmonth, Pearce and Edinburgh and Defence Establishment Myambat to support F-35A operations.<sup>5</sup>
- 2.13 Defence told the Committee that:

The proposed works are an enabler for the Australian Defence Force's air combat capability. The proposed works will provide a workplace that is fit for purpose and allows personnel to undertake their duties, roles and responsibilities in an environment that is appropriate for their specific tasks. Further, we expect the works will also enhance personnel morale,

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3 <[www.aph.gov.au/pwc](http://www.aph.gov.au/pwc)>

4 *Defence White Paper 2013*, Commonwealth of Australia 2013.

5 Defence, submission 1, p. 12.

- impacting on recruitment and retention, which will have a flow-on impact to capability support levels.<sup>6</sup>
- 2.14 The two key issues for delivery of the project are the security requirements of the new aircraft and the need to maintain air combat capability during the transition to the new aircraft.
- 2.15 The agreement between the USA and Australia for the supply of the aircraft requires that Australia comply with certain specific USA security requirements. These include:
- ... the 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 aircraft requires a secure apron and maintenance areas, while uninstalled components (software and hardware) require secure storage. The security standards as specified in the agreement significantly exceed those required for Classic Hornet security.<sup>7</sup>
- 2.16 Simulators and other training devices will support the training of both pilots and maintainers for the F-35A aircraft, including:
- Full mission simulators;
  - Deployable simulators;
  - Aircraft systems maintenance trainer;
  - Ejection system maintenance trainer;
  - Weapons load trainer; and
  - Propulsion maintenance trainer.<sup>8</sup>
- 2.17 Simulators will provide a more realistic training environment with direct oversight by instructors, allow simulation of rare situations such as emergencies and enable scenarios to be repeated for training value.<sup>9</sup>
- 2.18 Other key requirements for the project include information, logistics and maintenance systems; runway modifications; operational readiness platforms; aircraft shelters; explosive ordnance storage; and, ordnance loading aprons.<sup>10</sup>

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6 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 2.

7 Defence, submission 1, p. 5.

8 Defence, submission 1, pp. 5-6.

9 Defence, submission 1, p. 6.

10 Defence, submission 1, pp. 7-9.

- 2.19 Defence assessed the potential for reusing some of the existing Classic Hornet facilities and infrastructure for the new aircraft. For example, with regard to reusing the existing Classic Hornet apron and shelters:

A number of considerations were taken into account when we identified that construction of new shelters on a new apron was the preferred option. You will recall that we briefed you this morning about the protective coating on the aircraft and the need to ensure that that is adequately protected from UV radiation. We talked this morning about jet blast clearance distances and the fact that the danger area from the jet blast of the F-35 is much larger than that of the Classic Hornet. Also, the shelters, as they are currently established, are too close together for safe operation of aircraft in that arrangement.<sup>11</sup>

- 2.20 Further, there is a need to maintain the capability of the existing Classic Hornet during the construction phase:

If we were in there doing work on those aprons... there would be significant difficulty in Air Combat Group being able to maintain the air combat capability demanded of the ADF during that period.<sup>12</sup>

- 2.21 The Committee is satisfied that the need for the works exists.

## Options Considered

- 2.22 Defence quoted from the Defence White Paper 2009<sup>13</sup> to explain why RAAF Base Williamtown was chosen as the location for most of the aircraft:

Air Force's main bases are well-located to generate and sustain capability, with good access to industry support, training facilities and ranges, while having the ability to deploy forces quickly to its forward bases when necessary.<sup>14</sup>

- 2.23 Defence stated that this assessment took into consideration the levels of industry support, the need for the location to be family friendly, and the proximity to training areas as most fighter aircraft have limited range and limited fuel. Defence concluded that RAAF Base Williamtown satisfied

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11 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 23.

12 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 23.

13 *Defending Australia in the Asia Pacific Century: Force 2030, Defence White Paper 2009*, Commonwealth of Australia 2009.

14 Air Vice Marshal Chris Deeble, Defence, transcript of evidence, 10 September 2014, p. 2.

these requirements, and accordingly was selected as the main base for the aircraft.<sup>15</sup>

2.24 Further, Defence indicated that RAAF Base Amberley and RAAF Base Tindal were not selected as the main base for the aircraft as they each had limitations.<sup>16</sup>

2.25 Defence said that RAAF Base Amberley is limited by its capacity. Although it covers a large area it is subject to flooding. Additionally:

It now has a very large Air Force presence in its own right with Super Hornet, Growler, C17, Multi Role Tanker Transport, and in the not too distant, the Battlefield Airlifter, as well as that Army footprint. I think Amberley, while it satisfies the criteria for a 10,000-foot runway, has capacity issues that would limit its utility for the [F-35A] as well.<sup>17</sup>

2.26 Regarding Tindal's limitations when compared to Williamtown, Defence told the Committee that the issues:

... relate to people ... It is hard to retain people in those environments. It is hard to provide spouse employment. It is hard to gain industry aspects that would be required to support it in that environment.<sup>18</sup>

2.27 The Committee is satisfied that Defence has examined the various possible locations for the aircraft, and that two reviews, the Force Posture Review, which was delivered in March 2012, and the Defence White Paper in 2013, confirmed those decisions as the most suitable locations for the main base.<sup>19</sup>

2.28 As noted earlier, Defence informed the Committee that it considered the viability of adaptively reusing existing facilities for the F-35A, most particularly those currently used by the Classic Hornet, but found that:

At both RAAF Base Williamtown and RAAF Base Tindal, the Classic Hornet squadrons are currently accommodated in buildings, and utilise airfield infrastructure, which were constructed in the 1980s, or, in some cases at RAAF Base Williamtown, the 1960s. They are functionally inefficient, and deficient in a number of areas, including instances of non-compliance with the National Construction Code – Building Code of Australia (NCC-BCA), Defence's Manual of Fire Protection

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15 Air Vice Marshal Chris Deeble, Defence, transcript of evidence, 10 September 2014, p. 2.

16 Air Vice Marshal Chris Deeble, Defence, transcript of evidence, 10 September 2014, p. 2.

17 Air Vice Marshal Chris Deeble, Defence, transcript of evidence, 10 September 2014, p. 2.

18 Air Vice Marshal Chris Deeble, Defence, transcript of evidence, 10 September 2014, p. 3.

19 Air Vice Marshal Chris Deeble, Defence, transcript of evidence, 10 September 2014, p. 2.

Engineering (MFPE), the Defence Aerodrome Manual, the Work Health and Safety Act and environmental legislation. Many buildings contain contaminants such as asbestos, lead paint or chromates.<sup>20</sup>

- 2.29 Having chosen RAAF Base Williamtown for the main base, Defence examined three options to extend or relocate the runway. Options included building:
- a 2,000 feet extension of the existing runway to the south-east;
  - a 1.7 kilometre relocation of the runway to the south-east; or
  - an extension as far as possible within the base boundary to the south-east and a shorter extension in the north-west to achieve 10,000 feet total extension.<sup>21</sup>
- 2.30 Defence considered procurement options for the delivery of the proposed facilities, including via a traditional contracting methodology; or via a public-private partnership arrangement. Defence concluded that traditional contracting methodology would offer a better outcome as compared to a public-private partnership agreement.<sup>22</sup>
- 2.31 Defence's submission detailed various other options considered during the development of the project, including adaptive reuse of existing facilities, and reuse and reconfiguration of existing aircraft parking aprons.<sup>23</sup>
- 2.32 The Committee found that Defence has considered multiple options to deliver the project and has selected the most suitable option.

## Scope of the works

- 2.33 The new air combat capability being acquired under the AIR6000 project includes:
- a fleet of 72 aircraft;
  - armaments, ammunition and counter-measures;
  - full mission simulators for pilot initial and continuation training;
  - a range of maintainer training devices for maintainer students;
  - deployable simulator and mission planning facilities;
  - the introduction of an off-board information system to integrate and automate operations, maintenance and logistics; and

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20 Defence, submission 1, p. 12.

21 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 3.

22 Defence, submission 1, p. 12.

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

- a through-life support contract for maintenance and logistics.<sup>24</sup>
- 2.34 The facilities project being examined by the Committee provides:
- facilities and infrastructure to support the operation and maintenance of the aircraft;
  - training facilities to develop and sustain pilots and maintenance staff;
  - airfield infrastructure; and
  - logistics facilities.<sup>25</sup>
- 2.35 These functions are most efficiently and securely performed through the provision of facilities in a consolidated precinct based around a parking apron from which the aircraft operate.<sup>26</sup>
- 2.36 At the public hearing in Williamtown, Defence described the extensive nationwide scope of the proposal to provide facilities at RAAF bases Williamtown, Tindal, Townsville, Darwin, Curtin, Scherger, Learmonth, Pearce and Edinburgh and Defence Establishment Myambat, in support of the AIR 6000 New Air Combat Capability project.<sup>27</sup>
- 2.37 Defence told the Committee that the command, administrative and maintenance functions for both the training and operational squadrons require facilities which provide physical separation between secure and non-secure activities, while supporting the functional requirements of a modern air combat squadron.<sup>28</sup>
- 2.38 Subject to Parliamentary approval of the project, construction is expected to begin in January 2015 at RAAF Base Williamtown with all construction being completed by early 2022. Works required for the operation of the first squadron will be completed by October 2018 in preparation for the arrival of the first aircraft in Australia.<sup>29</sup>
- 2.39 Works at RAAF Base Tindal are expected to begin by 2017, with completion expected in 2022. Some rescheduling of works may be undertaken to manage risks such as the availability of trade contractors to perform the work.<sup>30</sup>

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24 Defence, submission 1, p. 1.

25 Defence, submission 1, p. 5.

26 Defence, submission 1, p. 5.

27 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, pp. 1-2.

28 Defence, submission 1, p. 5.

29 Defence, submission 1, p. 53.

30 Defence, submission 1, p. 53.

- 2.40 Works at the forward operating bases are planned for 2018 and 2019, but may be delivered earlier.<sup>31</sup> All works are expected to be completed by the end of 2022.<sup>32</sup>
- 2.41 The Committee finds that the proposed scope of works is suitable for the works to meet its purpose.
- 2.42 The following sections outline the works proposed for each of the RAAF bases involved.

### Works at RAAF Base Williamtown

- 2.43 RAAF Base Williamtown, near Newcastle, NSW, will remain as the premier base for the 'train and sustain' functions of Australia's air combat capability, as well as providing the staging point for deployment to forward operating bases. New and refurbished facilities and infrastructure are proposed for RAAF Base Williamtown to support its role as the home base for one training squadron (2OCU), and two operational squadrons (No. 3 Squadron and No. 77 Squadron).<sup>33</sup>
- 2.44 The main works elements proposed for RAAF Base Williamtown include:
- a new 2OCU Complex for pilot and maintainer training;
  - a new Combined 3 & 77 Squadron Headquarters facility;
  - a central maintenance facility for uninstalled aircraft components;
  - a specialised facility to enable technical support of the F-35A information system and associated hardware;
  - improvements to the existing Ordnance Loading Aprons;
  - a new parking apron with aircraft shelters, an aircraft wash facility and related infrastructure for the operation, low-level maintenance and storage of the aircraft;
  - runway and taxiway improvements, including extension of the existing runway and taxiways, replacement of Operational Readiness Platforms and relocation of navigational instruments;
  - replacement of explosive ordnance and counter measure preparation facilities and some minor displaced facilities;
  - a Deeper Level Maintenance Facility;
  - a maintenance and testing facility for the surface finish of the aircraft;
  - site engineering infrastructure necessary to support the facilities, including parking and roads, stormwater management infrastructure

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31 Defence, submission 1, p. 53.

32 Defence, submission 1, p. 53.

33 Defence, submission 1, p. 4.

and augmentation of the high voltage feed and reticulation for the base;  
and

- demolition of redundant facilities and infrastructure.<sup>34</sup>

## Works at RAAF Base Tindal

2.45 New and refurbished facilities and infrastructure are proposed at RAAF Base Tindal, near Katherine, NT, to support the 'train and sustain' functions as the home for the third operational squadron (No. 75 Squadron) as well as being a forward operating base for visiting F-35A squadrons.<sup>35</sup>

2.46 The scope of works proposed for RAAF Base Tindal includes:

- a new 75 Squadron Headquarters facility;
- a new Detached Training Facility for continuation training, simulators and other training devices;
- new and refurbished maintenance facilities for uninstalled aircraft components;
- an aircraft wash facility;
- a counter measure storage facility;
- a new parking apron with aircraft shelters and related infrastructure for the storage and low-level maintenance of the aircraft;
- minor pavement upgrades;
- facilities for visiting squadrons;
- replacement of some minor displaced facilities;
- a construction camp to accommodate construction workers, which will be refurbished for use as base transit accommodation on completion of construction;
- site engineering infrastructure necessary to support the facilities, including parking and roads and the upgrade of the high voltage feed and reticulation in the base; and
- demolition of redundant facilities and infrastructure.<sup>36</sup>

2.47 In the public hearing local resident Mr Donahoo said of the proposed Tindal facilities that:

... having aircraft lined up like ducks in a row and a large maintenance hangar housing multiple F-35As is inconsistent with

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34 Defence, submission 1, p. 9.

35 Defence, submission 1, p. 4.

36 Defence, submission 1, p. 10.

passive defence requirements developed for the redevelopment of Tindal in the 1980s.<sup>37</sup>

2.48 In response, Defence said that:

... at the time Tindal was developed there was certainly an understanding of the threat environment which required us to ensure that our jets were not lined up in a straight line. These days that threat is not as high, I understand. ... In the absence of such a threat that would cause us to be concerned about aircraft being lined up, it is a more efficient, whole-of-life outcome for us to develop the solution as we have proposed.<sup>38</sup>

### Works at other Defence facilities

2.49 RAAF Bases Townsville (QLD), Darwin (NT), Curtin (WA), Scherger (QLD), Learmonth (WA), Pearce (WA) and Edinburgh (SA) will provide forward operating bases for visiting F-35A squadrons. Minor facilities to accommodate squadron support functions are proposed at these forward operating bases.<sup>39</sup>

2.50 The proposed scope at the above forward operating bases is common across all bases. It consists of a secure facility for the storage of a deployable simulator, operations modules and supporting infrastructure.<sup>40</sup>

2.51 Construction of additional explosive ordnance and counter measure storage capacity is proposed at Defence Establishment Myambat (NSW) for the storage of F-35A armaments.<sup>41</sup>

### Cost of the works

2.52 The estimated cost of the project is \$1,477.4 million, excluding GST.

2.53 Defence provided further detail on the project costs in the confidential submissions and during the in-camera hearings.

2.54 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.

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37 Mr John Donahoo, transcript of evidence, 10 September 2014, p. 17.

38 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 22.

39 Defence, submission 1, pp. 4-5.

40 Defence, submission 1, p. 10.

41 Defence, submission 1, p. 5.

## Issues at RAAF Base Williamtown

### Runway extension

- 2.55 The project will include a runway extension at RAAF Base Williamtown, from 8,000 feet to 10,000 feet. Defence stated that this is to enable training pilots to take off and land safely:
- As a single-seat fighter plane the [F-35A] brings with it a unique training requirement. The first time a pilot takes off in the [F-35A] they will be doing it by themselves with no instructor in the back seat. So, to ensure an adequate margin of safety while they are learning to fly the [F-35A] we want to give them adequate reaction time to deal with any emergencies on take-off and landing. The way that we manage that risk is by providing a 10,000-foot runway. That allows a student pilot to roll down a runway, have an issue develop, and have time to diagnose that, make a decision, and take the appropriate action, and still safely stop the aircraft.<sup>42</sup>
- 2.56 A longer runway also has noise abatement benefits:
- ...by having the 10,000-foot runway the vast majority of [F-35A] take-offs at Williamtown will be able to be conducted in what we call 'military power' or just plain 100 per cent power without the use of afterburner, and that will mean that we minimise the noise impacts on the base and surrounds.<sup>43</sup>
- 2.57 The Committee heard from The Hon. Bob Baldwin MP, federal Member for Paterson, which adjoins RAAF Base Williamtown, and Mr John Donahoo, a local resident. Both expressed concerns about aircraft noise and the proposed runway extension.<sup>44</sup>
- 2.58 Mr Baldwin asked the Committee to consider an alternative second runway instead of allowing extensions to be put at each end of the existing runway. Mr Baldwin said that:
- A second runway would provide opportunities, in that during construction there is little to no OH&S risk of aircraft flying over the top whilst work is occurring on the runway. Secondly, having a second runway there will open up future capacity, in particular with the growing civilian airport.<sup>45</sup>

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42 Group Captain Philip Gordon, Defence, transcript of evidence, 10 September 2014, p. 3.

43 Group Captain Philip Gordon, Defence, transcript of evidence, 10 September 2014, p. 3.

44 See The Hon. Bob Baldwin MP, transcript of evidence, 10 September 2014, pp. 10-12, Mr John Donahoo, transcript of evidence, 10 September 2014, pp. 17-19. See also The Hon Bob Baldwin MP, submission 5 and Mr John Donahoo, submission 4.

45 The Hon. Bob Baldwin MP, transcript of evidence, 10 September 2014, p. 10.

- 2.59 Mr Baldwin said that putting extensions at each end of the runway will move the touchdown area for the joint strike fighter further into the populated areas of Raymond Terrace, Medowie and Brandy Hill.
- 2.60 Defence said that there are a number of concerns with the option of a second runway as proposed by Mr Baldwin. It would be a bigger footprint than the proposed extension. It would need to go through the Tilligerry National Park and there would be significant costs of doing that:

There are wetlands down there, so there would be significant costs in building the runway up to make it work within that wetland environment. There would be significant vegetation clearing required which would in itself probably trigger an EPBC referral. ... Also I note that Mr Baldwin said that relocation of the road should not be a consideration, but I think that we would be expected to include that cost in the project if we were to cause the roads to have to be relocated ... it is probably feasible from an engineering perspective, but I certainly could not see how it could represent value for money to the Commonwealth when there are other options available that have a similar effect and come at a less cost.<sup>46</sup>

- 2.61 Mr John Donahoo also expressed concerns about the proposed runway extension stating that:

Essentially, Defence would be inflicting more noise and ANEFs (Australian Noise Exposure Forecast) than required on Raymond Terrace simply to save money on their runway extension.<sup>47</sup>

- 2.62 As mentioned above, Defence stated that the runway extension will not increase aircraft noise.<sup>48</sup> Air Commodore Grady told the Committee that:

Clearly jet aircraft produce noise, and it is difficult to find ways with which we can look to coexist with those communities. But I think during my tenure here as senior ADF officer we have made great progress in achieving those. You would have heard this morning about the 'fly neighbourly' policies, which originated here at Williamtown and now form the basis of an Air Force noise mitigation strategy. A lot of those policies and procedures are now rolled out to other bases during major exercises and the like. And there is a range of means by which we communicate with the community. It has been an ongoing and significant effort, but I

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46 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 20.

47 Mr John Donahoo, submission 4, p. 2.

48 Group Captain Philip Gordon, Defence, transcript of evidence, 10 September 2014, p. 3.

think it has produced significant increases in the amount of trust we have with the local community.<sup>49</sup>

- 2.63 Defence's 'fly neighbourly' policy now enables aircraft to turn and fly over Grahamstown dam and avoid the townships of Raymond Terrace and Medowie.<sup>50</sup>
- 2.64 Defence said that since the introduction of 'a fairly robust engagement process there has been a significant drop-off in complaints from the community'.<sup>51</sup>
- 2.65 Defence acknowledges that issues relating to noise will remain a concern to some nearby residents but, as mentioned above, contends that the proposed extension of the runway at Williamtown will in fact reduce existing noise because the longer runway means that afterburner will not be used during the majority of take-offs thereby minimising the noise impacts on the base and surrounds.<sup>52</sup>
- 2.66 The Committee commends Defence's 'fly neighbourly' policies, which now form the basis of an Air Force noise mitigation strategy.
- 2.67 A week after the public hearing in Raymond Terrace, the Committee received a late submission from Newcastle Airport Pty Limited. The Committee's inquiry process usually allows a four to six week period to receive submissions from interested parties. In this case the period for submissions opened mid-July and closed on 20 August 2014.
- 2.68 The Committee discourages submissions being made after the advertised public consultation phase of an inquiry is complete because it is difficult to fully explore those issues raised when received so late in the process. However, the Committee gave Mr Hughes, CEO of Newcastle Airport Pty Limited the opportunity to briefly address it in Canberra at a second public hearing which was scheduled to allow Defence to respond to questions put at the conclusion of the first public hearing.
- 2.69 The Newcastle Airport submission raised several issues of concern regarding the Airport's co-existence with the RAAF Base. In Canberra, Mr Hughes told the Committee that:
- ... we have been very much heavily involved with Defence and the RAAF in regard to the [F-35A] proposals ... overall we are very supportive of the project and what it is doing for the region.<sup>53</sup>

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49 Air Commodore Anthony Grady, Defence, transcript of evidence, 10 September 2014, p. 5.

50 Group Captain Philip Gordon, Defence, transcript of evidence, 10 September 2014, p. 8.

51 Air Commodore Anthony Grady, Defence, transcript of evidence, 10 September 2014, p. 5.

52 Group Captain Philip Gordon, Defence, transcript of evidence, 10 September 2014, p. 3.

53 Mr Paul Hughes, Newcastle Airport Pty Ltd, transcript of evidence, 23 September 2014, p. 1.

- 2.70 However, Newcastle Airport has concerns about how the longer runway will affect day-to-day movements of aircraft:

This means that all aircraft departing from Newcastle airport will have to cross the runway at some point in time to access the threshold from either end of the runway. From our point of view, whilst that is certainly something that can be achieved, it affects the overall operational effectiveness of both the airport and the impact and the interrelationship between us and the RAAF.<sup>54</sup>

- 2.71 Defence told the Committee that from its perspective the lengthened runway does not prevent civilian aircraft from commencing their take-off run at the taxiway intersection:

In fact, the take-off distance available from that point will be increased markedly when the proposed north-west component of the runway extension is completed. Many airports around the country, including Sydney, Brisbane and Darwin airports, utilise taxiway intersections as the starting point for the take-offs. All we are proposing here is that there will be an additional 900 feet, or 270 metres, available to the north-west from the taxiway crossover point.<sup>55</sup>

- 2.72 The Committee is satisfied that the option to extend the runway in Williamstown as proposed by Defence is the appropriate option for the project.

### Recommendation 1

- 2.73 **The Committee recommends that Defence continues to consult with local communities and interested parties, where possible, to implement measures to mitigate noise impacts.**

### Water issues

- 2.74 RAAF Base Williamstown is located within a drinking water catchment area in the lower Hunter region. Hunter Water Corporation manages the catchment area and expressed concern regarding the proximity of the on-ground refuelling area to a number of bore stations, which are used to extract drinking water from the Tomago sand beds.<sup>56</sup>

- 2.75 Hunter Water Corporation stated:

54 Mr Paul Hughes, Newcastle Airport Pty Ltd, transcript of evidence, 23 September 2014, p. 1.

55 Brigadier Darren Naumann, Defence, transcript of evidence, 23 September 2014, p. 5.

56 Mr Darren Cleary, Hunter Water Corporation, transcript of evidence, 10 September 2014, p. 13.

In some locations, the base gets within 50 metres of these bore lines. The types of operations that are proposed in that area do represent a potential risk to drinking water quality. We have had some further discussions with the project managers for the proposal, and they have outlined a number of potential safeguards that could be put in place to potentially mitigate the impact on water quality of the operations, and we welcome those proposals. However, we do think that further work needs to be done to assess the potential risk to water quality and to further develop those proposals to ensure the long-term viability of the bores in the vicinity of the operations.<sup>57</sup>

2.76 Hunter Water Corporation also raised concerns regarding stormwater containment and management.<sup>58</sup> Defence told the Committee that:

The new site for the New Air Combat Capability precinct has been subject to flooding and high-rainfall events in the past. ... The stormwater drainage design has been developed in consultation with Port Stephens Council, who have agreed that the design meets their requirements.<sup>59</sup>

2.77 Additionally, Defence acknowledged that it is aware that there is potential contamination on the RAAF Base:

We are planning to conduct investigations to ascertain the extent of contamination. We will continue to engage with Hunter Water to resolve this issue.<sup>60</sup>

2.78 Mr Hughes from Newcastle Airport raised concerns regarding the time-frames for decommissioning the sewage treatment ponds and re-using the land:

Some of the ponds are on an easement which [the land owners] granted to the Commonwealth government some years ago free of charge for the sewage treatment ponds. ... they would like to see that land re-used within the shorter time frame, rather than waiting till 2020 when those ponds will also be rehabilitated.<sup>61</sup>

2.79 Defence responded to these concerns:

... at this stage the Newcastle Airport representative is correct in saying that we are not planning to do the remediation until 2020.  
... right now we are finalising our plans for a further

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57 Mr Darren Cleary, Hunter Water Corporation, transcript of evidence, 10 September 2014, p. 13.

58 Mr Darren Cleary, Hunter Water Corporation, transcript of evidence, 10 September 2014, p. 13.

59 Brigadier Darren Naumann, Defence, transcript of evidence, 23 September 2014, p. 7.

60 Brigadier Darren Naumann, Defence, transcript of evidence, 23 September 2014, p. 8.

61 Mr Paul Hughes, Newcastle Airport Pty Ltd, transcript of evidence, 23 September 2014, p. 4.

redevelopment project at Williamstown to undertake work in the infrastructure backbone that maintains and sustains the base. I just do not know off the top of my head whether that is included, but we can certainly consider it.<sup>62</sup>

## **Recommendation 2**

- 2.80 **The Committee recommends that Defence continues to work with Hunter Water Corporation to ensure water quality is not compromised throughout and beyond the project.**

### **Traffic issues**

- 2.81 Roads & Maritime Services New South Wales (RMS) manages state roads around RAAF Base Williamstown and aims to maintain the efficiency and safety of the road network.
- 2.82 In responding to the concept plans for the project, RMS indicated that a roundabout should be considered for the main construction access on Medowie Road. RMS also indicated that while discussions with Defence had been proactive, a traffic study has not yet been completed.<sup>63</sup>
- 2.83 Defence advised that the traffic study is underway and would be provided to RMS once it is completed. Defence stated that the outcome of the traffic study would inform the best intersection design for the construction access.<sup>64</sup>

## **Recommendation 3**

- 2.84 **The Committee recommends that Defence undertakes the appropriate traffic studies and provides them to the Committee, and that construction traffic is suitably managed.**

62 Brigadier Darren Naumann, Defence, transcript of evidence, 23 September 2014, p. 6.

63 Ms Kellee McGilvray, Roads and Maritime Services, New South Wales, transcript of evidence, 10 September 2014, p. 14.

64 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 21.

## Community Consultations

2.85 Defence undertook extensive community consultation to ensure that the public was informed about the project and had every opportunity to raise issues of concern or seek further information.<sup>65</sup>

2.86 The project was promoted through local community networks:

That was particularly important. Fact sheets were prepared and were available for distribution at each of the community sessions, and they were also available on our website for people to download if they so chose. Four public consultation information sessions were held. The first one was at Myambat, near Denman up in the Hunter Valley, where we are doing the explosive ordnance facilities. Two were done here at Williamtown; we expected a high level of interest. And one was done at Katherine in the Northern Territory.

The Myambat one was not very well attended. ... In Williamtown, on the other hand, it was very well attended. The first one we did in the bowling club. People could drop in at their will and be shown around. We got a very good response from that. We did the second one in the Raymond Terrace shopping centre, and that was extremely well attended. Well in excess of 150 people came through, asked us questions, looked at our feather boards, and took away the fact sheets. At Tindal we also got a very good response, largely from people from industry. People drove down from Darwin just to see what the project was and how they could get involved. So, there was a very high level of interest there.

The issues that came up were, at Williamtown ... runway options and their relationship to noise; that was the major issue we brought our attention to. The traffic on Medowie Road and how we're going to manage that as part of our construction access was another issue that was raised, as well as local opportunities for businesses. ... we briefed HunterNet and all its members on the project and how they could be involved in it. At Tindal it was very positive. The two major issues there were local opportunities for businesses and how they could get involved and also Indigenous opportunities for training and employment<sup>66</sup>

2.87 In general, Defence found community feedback about the project was positive and did not raise issues that had not been addressed in the project's design:

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65 Defence, submission 1.2, p. 1.

66 Mr Daniel Kenny, Coffey, transcript of evidence, 10 September 2014, p. 6.

There was a strong appetite for more information about employment opportunities arising from the Project and that ongoing provision of project information would be welcomed. Generally there is strong support from the community as the Project will generate employment for small, medium and large sized local businesses.<sup>67</sup>

- 2.88 Among community concerns in the Northern Territory, opportunities for indigenous employment was raised by the Katherine Town Council, as were concerns about the influx of construction workers affecting housing costs in Katherine.<sup>68</sup>
- 2.89 Defence confirmed that in the Northern Territory, the Northern Land Council was consulted on the development at RAAF Base Tindal during the community consultation process.<sup>69</sup>
- 2.90 The Committee was satisfied that Defence is aware of and is addressing the issues raised during community consultation to the extent possible within the constraints of operating bases which fly jet aircraft.

## Committee comments

- 2.91 The Committee appreciates the input it received during this inquiry from individuals and others. Evidence from all witnesses was useful to help the Committee consider the project and the Committee thanks those who participated.
- 2.92 The Committee noted the level of community consultation and urges Defence to continue to consult with local communities as this project is rolled out.
- 2.93 The Committee commends Defence for the introduction of its 'fly neighbourly' policy and urges it to continue to seek ways to reduce noise stress where it can.
- 2.94 The Committee recognises that those who lobbied for alternative options to the project as proposed by Defence may be disappointed. However, in fulfilling its role to assess the need for, scope of and value for money of any project which comes before it, the Committee has assessed that the project meets all criteria.
- 2.95 The Committee inspected modern, streamlined facilities at RAAF Base Amberley. In contrast, the facilities viewed at RAAF Base Williamtown

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67 Defence, submission 1.2, p. 1.

68 Defence, submission 1.2, p. 12.

69 Brigadier Darren Naumann, Defence, transcript of evidence, 10 September 2014, p. 24.

- were older, cramped and demonstrated the need for purpose-built facilities for the new aircraft.
- 2.96 During the in-camera hearing the Committee was satisfied that this very large project has been appropriately costed and a suitable contingency exists. Additionally, the Committee accepts Defence's advice that it has assessed the risks associated with the project and can manage them.
- 2.97 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. Given the scope, length and cost of the project, the Committee requires Defence to provide a project update at regular, agreed upon, intervals.
- 2.98 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.
- 2.99 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.

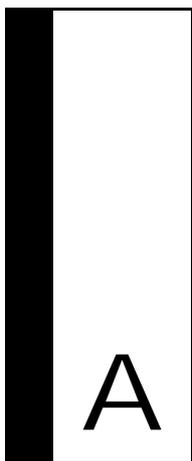
#### **Recommendation 4**

- 2.100 **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: AIR 6000 Phase 2A/B New Air Combat Capability Facilities Project.**

**Karen Andrews MP**  
**Chair**

**2 October 2014**



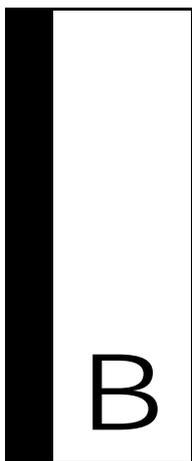


## Appendix A – List of Submissions

### AIR 6000 Phase 2A/B New Air Combat Capability Facilities

1. Department of Defence
  - 1.1 Confidential
  - 1.2 Department of Defence
  - 1.3 Confidential
2. Hunter Water Corporation
3. Roads and Maritime Services
4. Mr John Donahoo
5. The Hon Bob Baldwin MP
6. Newcastle Airport Pty Limited





## Appendix B – List of Hearings and Witnesses

### AIR 6000 Phase 2A/B New Air Combat Capability Facilities

Wednesday, 10 September 2014 – Port Stephens Council Chambers,  
Raymond Terrace, NSW

#### Public Hearing

For Department of Defence

Brigadier Darren Naumann, Director General, Capital Facilities and Infrastructure,  
Defence Support and Reform Group, Department of Defence

Air Vice Marshal Chris Deeble, Program Manager, Joint Strike Fighter, Defence  
Materiel Organisation, Department of Defence

Air Commodore Anthony Grady, Commander, Air Combat Group, RAAF,  
Department of Defence

Group Captain Philip Gordon, Director, Air Combat Transition Office, RAAF,  
Department of Defence

Mr Jason Bailey, Project Director, Joint Strike Fighter Facilities Project,

Mr Daniel Kenny, Project Director, Coffey (Project Management Contract  
Administrator)

Mr Brendan Sowry, Manager, Security and Stakeholder Engagement, Lend Lease  
(Managing Contractor)

#### Other witnesses

The Hon. Bob Baldwin MP, Member for Paterson

Mr Darren Cleary, Chief Operating Officer, Hunter Water Corporation

Mr Kirby Morrison, Manager, Water Planning, Hunter Water Corporation

Mrs Kellee McGilvray, Land Use Manager, Roads and Maritime Services, NSW

Mr Kevin Webster, Network and Safety Manager Hunter, Roads and Maritime Services, NSW

Mr John Patrick Donahoo

### **In-Camera Hearing**

Seven witnesses

**Tuesday, 23 September 2014 – Canberra**

### **Public Hearing**

For Department of Defence

Brigadier Darren Naumann, Director General, Capital Facilities and Infrastructure, Defence Support and Reform Group, Department of Defence

Mr Jason Bailey, Project Director, AIR 3, Capital Facilities and Infrastructure Branch, Defence Support and Reform Group, Department of Defence

Group Captain Michael Brown, Director In-Service Support, Joint Strike Fighter, Department of Defence

Group Captain Ian Browning, Director, National Air and Maritime, Department of Defence

Mr Daniel Kenny, Project Director, Coffey (Project Management Contract Administrator)

Mr Brendan Sowry, Manager, Security and Stakeholder Engagement, Lend Lease (Managing Contractor)

Mr Lloyd Woodford, Director, Environmental Protection and Assessment, Defence Support and Reform Group, Department of Defence

Other witnesses

Mr Paul Gerard Hughes, Chief Executive Officer, Newcastle Airport Pty Limited

### **In-Camera Hearing**

Seven witnesses