

Facilities for air warfare destroyer ships and landing helicopter dock ships, Sydney, NSW

- 5.1 This chapter deals with two referrals:
- Air warfare destroyer ship sustainment facilities at Garden Island, Randwick Barracks and HMAS Watson, Sydney, NSW
 - Landing helicopter dock ship sustainment facilities at Garden Island and Randwick Barracks, Sydney, NSW.
- 5.2 The introductory sections for each referral will be provided separately. The project issues section will cover both referrals.
- 5.3 The Department of Defence (Defence) is the proponent agency for both projects.

Air warfare destroyer ship sustainment facilities at Garden Island, Randwick Barracks and HMAS Watson, Sydney, NSW

- 5.4 Defence proposes to provide ship sustainment facilities within the Sydney region for the ongoing training, systems through life support and maintenance, and berthing of the new Hobart Class Air Warfare Destroyers (AWDs).
- 5.5 The purpose of the project is to:
- achieve greater efficiency and increased flexibility in the provision of shore side support for the new AWD capability through the sustainment phase
 - provide modern, fit for purpose, high quality, safe and energy efficient facilities that meet these needs.
- 5.6 The cost of the AWD project is \$109.9 million.

5.7 The project was referred to the Committee on 21 March 2013.

Conduct of the inquiry

5.8 Following referral to the Committee, the inquiry was advertised on the Committee's website, by media release and in *The Australian* and the *Australian Financial Review* newspapers.

5.9 The Committee received one submission and two supplementary submissions from the Department of Defence. Submissions were also received from other organisations. The list of submissions can be found at Appendix A.

5.10 The Committee received a private briefing and conducted a site inspection, a public hearing and an in-camera hearing on 23 April 2013 in Sydney.

5.11 A transcript of the public hearing and the submissions to the inquiry are available on the Committee's website.¹

Need for the works

5.12 The 2000 Defence White Paper stated the Australian Defence Force (ADF) would replace the Royal Australian Navy's (RAN) Adelaide Class Guided Missile Frigates (FFGs) with a class of at least three new air defence capable ships.

5.13 In 2007 the Australian Government approved the acquisition of three new Hobart Class Air Warfare Destroyers (AWDs) to replace the Adelaide Class FFGs through the SEA 4000 Phase 3 AWD Ship Build Program. The new Hobart Class AWDs will provide the RAN with one of the world's most capable all purpose warships and will deliver to the Australian Government an affordable, effective, flexible and sustainable air defence capability for the defence of Australia and its national interests.

5.14 Specifically, the AWDs will provide air defence for accompanying ships, land forces and infrastructure in coastal areas, and for self-protection against enemy aircraft and missiles. The new AWDs will also carry a helicopter for surveillance and response operations and be equipped with long range anti-ship missiles, modern sonar systems, decoys, surface-launched torpedoes and an array of effective close-in defensive weapons.

5.15 The Hobart Class AWDs are currently under construction at three shipyards in Newcastle, NSW; Williamstown, Vic.; and Osborne, SA. The first of the new AWDs, HMAS Hobart, is due to arrive in its home-port of Sydney, NSW, in the first quarter of 2016, with the second and third

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

AWDs expected to arrive in Sydney in the third quarter of 2017 and the first quarter of 2019.

- 5.16 The AWDs will be home-ported at and will deploy on operations from Fleet Base East, which is located within the Garden Island Defence Precinct in Sydney, NSW.
- 5.17 To enable the introduction into service of the three Hobart Class AWDs and then sustain the capability these ships are required to generate over their life of type, there is the need to enhance and augment existing infrastructure in Sydney to support AWD specific command and crew training, combat and platform systems, through life support and maintenance, and berthing.²
- 5.18 The Committee is satisfied that there is a need for the works.

Scope of the works

- 5.19 The works will include the following scope elements:
- AWD Training Centre at Randwick Barracks.
 - AWD Command Team Trainer at HMAS Watson.
 - AWD Through Life Support Facility at Garden Island.
 - AWD Systems Program Office at Garden Island.
 - AWD Lay Apart Store at Garden Island.
 - AWD Integrated Platform Monitoring System Remote Monitoring Station at Garden Island.
 - AWD Berthing Infrastructure at Garden Island.³
- 5.20 The Committee finds that the proposed scope of works is suitable to meet the need.

Cost of the works

- 5.21 The project cost is \$109.9 million. The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with the proponent agency on these costs.
- 5.22 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent agency.

2 Defence, Submission 1 (AWD), pp. 1-2.

3 Defence, Submission 1 (AWD), pp. 10-14.

Landing helicopter dock ship sustainment facilities at Garden Island and Randwick Barracks, Sydney, NSW

- 5.23 Defence proposes to provide ship sustainment facilities within the Sydney region for the ongoing training, systems through life support and maintenance, and berthing of the new Canberra Class Landing helicopter dock ships (LHDs).
- 5.24 The purpose of the project is to:
- achieve greater efficiency and increased flexibility in the provision of shore side support for the new LHD capability through the sustainment phase
 - provide modern, fit for purpose, high quality, safe and energy efficient facilities that meet these needs.
- 5.25 The cost of the LHD project is \$60.3 million.
- 5.26 The project was referred to the Committee on 21 March 2013.

Conduct of the inquiry

- 5.27 Following referral to the Committee, the inquiry was advertised on the Committee's website, by media release and in *The Australian* and the *Australian Financial Review* newspapers.
- 5.28 The Committee received one submission and three supplementary submissions from the Department of Defence. Submissions were also received from other organisations. The list of submissions can be found at Appendix A.
- 5.29 The Committee received a private briefing and conducted a site inspection, a public hearing and an in-camera hearing on 23 April 2013 in Sydney.
- 5.30 A transcript of the public hearing and the submissions to the inquiry are available on the Committee's website.⁴

Need for the works

- 5.31 In order to replace and enhance elements of the then ADF amphibious capability, the Defence Capability Plan (DCP) 2004-14 defined the requirement to replace the RAN Heavy Landing Ship HMAS Tobruk by 2010 and to then replace the two RAN Amphibious Landing Ships (HMAS Manoora and HMAS Kanimbla) during the period 2010 to 2014.

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

- 5.32 In 2007 the Australian Government approved the acquisition of two new Canberra Class Landing Helicopter Dock (LHD) amphibious assault ships (based on the Navantia design). The Canberra Class LHDs will provide the ADF with one of the most capable and sophisticated air-land-sea amphibious deployment systems in the world and will deliver to the Australian Government an affordable, effective, flexible and sustainable amphibious capability for the defence of Australia and its national interests.
- 5.33 Specifically, each LHD will be able to embark, transport and deploy a force of over 1,000 personnel by air (with the LHD's flight deck allowing the operation of a range of ADF rotary wing aircraft) and sea, along with all their weapons, ammunition, vehicles and stores. The LHDs have also been designed with the shallowest possible draft to allow them to operate in secondary ports and harbours as well as manoeuvre tactically in the shallow waters common to littoral regions. The LHDs will also be capable of conducting and supporting humanitarian missions and will be jointly crewed with personnel from Navy, Army and Air Force to form a ships company of approximately 400.
- 5.34 The Canberra Class LHD hulls are being built, including the majority of the fit-out, by Navantia (subcontracted to BAE Systems) at the Fene-Ferrol Shipyard in Spain. The hulls are then be transported to Australia as individual lifts on a 'float on/float off' heavy lift ship. Construction of the LHD superstructures and their consolidation with the hulls are then conducted by BAE Systems in their Williamstown Shipyard in Victoria (VIC). The first LHD hull arrived at the Williamstown Shipyard in October 2012. BAE Systems will also be responsible for the final fit-out, set-to-work, docking and trials of the LHDs.
- 5.35 The first of the LHDs, HMAS Canberra, will be the largest class of ship that the RAN has ever operated. HMAS Canberra is due to arrive in its home-port of Sydney, NSW in early 2014, with the second LHD expected to arrive in Sydney in mid 2015.
- 5.36 The LHDs will be home-ported at and will deploy on operations from Fleet Base East, which is located within the Garden Island Defence Precinct in Sydney, NSW.
- 5.37 To enable the introduction into service of the two new Canberra Class LHDs and then sustain the capability these ships are required to generate over their life of type, there is the need to enhance and augment existing infrastructure in Sydney to support LHD specific crew training, combat

and platform systems, through life support and maintenance, and berthing.⁵

5.38 The Committee is satisfied that there is a need for the works.

Scope of the works

5.39 The works will include the following scope elements:

- LHD Training Centre at Randwick Barracks.
- LHD Through Life Support Facility at Garden Island.
- LHD System Program Office at Garden Island.
- LHD Integrated Platform Monitoring System Remote Monitoring Station at Garden Island.
- LHD Berthing Infrastructure at Garden Island.⁶

5.40 The Committee finds that the proposed scope of works is suitable to meet the need.

Cost of the works

5.41 The project cost is \$60.3 million. The Committee received a confidential supplementary submission detailing the project costs and held an in-camera hearing with the proponent agency on these costs.

5.42 The Committee is satisfied that the costings for the project provided to it have been adequately assessed by the proponent agency.

Project issues

Randwick Barracks local concerns

5.43 The Randwick City Council raised concerns regarding Defence's plans for the site.⁷ Defence provided an overview of its past and current plans for the site, then responded to the Council's concerns regarding this project:

... there are a number of comments in there about whether the council has been briefed on what this project is about. We have certainly briefed the council on this project and my advice is that they were quite supportive of what we are proposing to do. In their letter they have suggested that that there needs to be a number of reports prepared and constraints on working hours and

5 Defence, Submission 1 (LHD), pp. 1-2.

6 Defence, Submission 1 (LHD), pp. 12-16.

7 Submission 4 (LHD).

that sort of thing. We are quite happy to undertake all of that; in fact, we were planning to do all that anyway. In terms of working hours and so on, the working hours that we will put into our contract for the construction of that site are exactly what Randwick City Council asks us to do. That is an example. Another one is acoustic studies. We were going to do that anyway. Another one is environmental contamination studies and so on. Again, we are doing that anyway. They have asked us to ensure that it is in accordance with New South Wales EPA requirements. We were in fact planning to do that as well. From my understanding, there actually is not too much in the letter that we have concerns with. Probably just a little disappointed that they thought that we had not consulted with them on it. Probably, the action for us out of that is to engage a little more closely with them on our strategic plans for the site and to ensure that we continue to work with them as we develop this project on that site.⁸

- 5.44 Defence stated that it met with representatives from Randwick City Council prior to the Council preparing its submission. Various issues in the submission were discussed at this meeting:

They advised us that because we are under a federal system they do not have visibility of all these reports, a majority of which we have conducted. I suppose they are applying their local approval process and ensuring that we have actually followed a similar standard. I can confirm for the record that we have followed a similar standard.⁹

- 5.45 As requested at the public hearing, Defence provided a supplementary submission in response to the Council's concerns. This submission confirmed Defence's commitment to ongoing consultation with the Council and addressed many broader issues. With regard to this project:

... I can assure the Committee that all works will be undertaken in accordance with the relevant policies, standards and statutory requirements. I note the [Council's] comments regarding residential context and confirm that Defence has given full consideration to the issues raised. As part of the Defence process, a Defence Environmental Construction Certificate and a

8 Brig. D. Naumann, Defence, *transcript of evidence*, 23 April 2013, p. 4.

9 Mr P. Gagel, Defence, *transcript of evidence*, 23 April 2013, p. 5.

Contractor's Environmental Management Plan will be required before works commence on site.¹⁰

Committee comment

- 5.46 The Committee acknowledges Defence's considerable contributions to the community around Randwick Barracks.
- 5.47 The Committee is satisfied that Defence has addressed the Council's concerns regarding this project. The Committee expects that Defence will continue to engage with the Council on this and future projects.

HMAS Watson local concerns

- 5.48 The Sydney Harbour Association raised concerns with the visual and landscape impacts of the proposed works at HMAS Watson.¹¹
- 5.49 Defence outlined its process for determining the design for the building:
... the current design is dark in colour and visually recessive. This is in line with the landscape character statement within the Sydney Regional Environmental Plan in relation to the entry to Sydney Harbour, where it states that 'developments should be designed to complement existing features so that the contrast between the built and natural environment is minimised'. As such, the building has been designed with a colour that is dark and recessive. It meets the statement and blends in to the surrounding natural environment, minimising contrast between built and natural environments.
The building is set back 10 metres from the boundary and has an angular plane formed to suit the topography and boundary condition. The roofline is below the existing tree canopy. The building has been designed as far north as possible and the Ritchie Building is not visible after the construction of the [new Command Team Trainer facility]. Furthermore, this is in line with the requirements of the Directorate of Environmental Impact Management and the environmental assessment report, which states the proposed building should be visually recessive. In response to that, colours and materials should be chosen that would blend or recede into the landscape rather than bright colours or reflective surfaces.¹²
- 5.50 Regarding landscaping, Defence advised that it consulted with the NSW National Parks and Wildlife Service. The agencies agreed that:

10 Defence, Submission 1.3 (LHD), p. 2.

11 Submission 2 (AWD).

12 Mr. G. Tripodi, Defence, *transcript of evidence*, 23 April 2013, p. 10.

... a buffer offset planting zone would be established using native plants that would integrate within the landscape design as part of the AWD project. This is to offset the removal of existing plantings and trees and will assist in screening the facility.¹³

Committee comment

- 5.51 Defence provided photos of the site of the proposed works, from various perspectives and locations. These depicted a view of the site of the works at present, and a graphic representation of the same view on completion of the works. This enabled further comprehension of the size and visual impact of the works.
- 5.52 The Committee expects Defence to undertake vegetation planting and landscaping around the proposed facility to mitigate the visual impact of the new facility and to ensure that all current views of the site are maintained or improved.
- 5.53 The Committee is of the opinion that Defence has appropriately considered the visual impact of the proposed works and has prepared the design accordingly.

Cruise ships at Garden Island

- 5.54 Two submissions touched on the presence of cruise ships at Garden Island.¹⁴ An independent review has been conducted into cruise ships visiting Sydney Harbour. Defence summarised this review:

The independent review assessed whether there is scope to enhance cruise ship access to Garden Island without adversely impacting on the priority role of supporting the Navy maritime operations including ship repair and maintenance. This review considered the potential for greater civil-military cooperation and the use of the finite berthing resources for the very large cruise ships which visit Sydney. Indeed, some of those cruise ships are four times the tonnage of the LHDs. The review took into account the increase in the use of Garden Island by the new, larger Royal Australian Navy ships including the LHDs and the AWDs. The new ships will require suitable berthing facilities and will draw on Sydney's strong industry support base for maintenance and repairs.

13 Mr. G. Tripodi, Defence, *transcript of evidence*, 23 April 2013, p. 10.

14 Submission 3 (AWD), Submission 4 (AWD). These submissions were also accepted for the LHD inquiry.

In conclusion, the review concluded that the current and future naval capability requirements at Garden Island are essentially incompatible with the cruise ship access over the longer term except on the existing ad hoc arrangements that we are following. The provision of the guaranteed shared access sought by the cruise industry would impact on the primacy of the naval operations from Fleet Base East.¹⁵

- 5.55 Defence outlined some of the issues surrounding the berthing of cruise ships at Garden Island:

... the cruise ships are big and obviously carry a lot of passengers. When they berth at Fleet Base East we need to put security arrangements into place so that the very large number of passengers can access the cruise ship and exit the base. We need to put them in particular places. They are close to the entrance to Garden Island and that causes a lot of disruption for the ships that are at Garden Island. When we have the LHDs in port, they will be to the northern end of Fleet Base East for ease of access for those large ships. They are the same berths that the cruise ships would use. There is an issue with where the LHDs would berth and where these large cruise ships would berth and there are issues associated with security as well.¹⁶

- 5.56 At present, the Prime Minister has agreed to the berthing of three cruise ships per financial year (for 2012-13 and 2013-14) at Garden Island. With regard to the timing of these visits, Defence advised that:

At this stage it is an ad hoc arrangement. I understand that the requests come in from the cruise industry, and at the moment the Prime Minister has agreed to three visits, so Defence will select when it is least disruptive.¹⁷

- 5.57 In addition to the berthing and access requirements, Defence must ensure space is available for Customs and Quarantine to screen passengers at Garden Island:

There are not any permanent facilities, so Customs and Quarantine need to be brought in and set up marquees on the wharf adjacent to the ships. That is where the processing is done. So at the moment we have ad hoc arrangements. You have seen

15 Cdre P. Quinn, Defence, *transcript of evidence*, 23 April 2013, p. 6.

16 Cdre P. Quinn, Defence, *transcript of evidence*, 23 April 2013, p. 7.

17 Cdre P. Quinn, Defence, *transcript of evidence*, 23 April 2013, p. 7.

Fleet Base East. It is a fairly narrow wharf. There is not a lot of space to put those ad hoc arrangements in place.¹⁸

Committee comment

- 5.58 The Committee acknowledges that cruise ships berthing at Garden Island significantly impact on Defence operations. In particular, the Committee notes that cruise ships would occupy the same space as the LHDs, thus limiting LHD berthing capacity during cruise ship visits.
- 5.59 The Committee expects the Australian Government and Defence to appropriately manage these priorities.

Hammerhead crane at Garden Island

- 5.60 The hammerhead crane is an obsolete asset located at Garden Island. It has some heritage considerations, so its removal is subject to an *Environment Protection and Biodiversity Conservation Act 1999* referral.¹⁹
- 5.61 Despite not being in use, the crane currently costs around \$1 million per year to maintain. There have been four work health and safety incidents related to it.²⁰
- 5.62 If the crane remains in place, it would prohibit an LHD from berthing alongside that part of the wharf. This would mean that two LHDs could not berth at Fleet Base One at the same time.²¹
- 5.63 Defence noted that there are several options for removing and relocating or deconstructing the crane, and that Defence's preference is for the crane to be removed.²² Defence conducted public consultation on the removal of the crane, which received a mixed response.²³

Committee comment

- 5.64 The Committee is aware of the heritage considerations of the crane. However, the Committee considers that the safety of persons on the wharf should be paramount, and that a single work health and safety incident relating to the crane is unacceptable. Furthermore, the Committee is astonished at the exorbitant cost of maintaining the obsolete crane.

18 Cdre P. Quinn, Defence, *transcript of evidence*, 23 April 2013, p. 8.

19 Mr L. Woodford, Defence, *transcript of evidence*, 23 April 2013, pp. 8-9.

20 Mr L. Woodford, Defence, *transcript of evidence*, 23 April 2013, pp. 8-9.

21 Cdre P. Quinn, Defence, *transcript of evidence*, 23 April 2013, p. 9.

22 Mr L. Woodford, Defence, *transcript of evidence*, 23 April 2013, p. 9.

23 Mr L. Woodford, Defence, *transcript of evidence*, 23 April 2013, pp. 8-9.

- 5.65 The Committee considers that the heritage value of the crane could be preserved through relocation to another site. This option would also eliminate a significant work health and safety hazard.

Final Committee comment

- 5.66 The Committee notes that there are significant compliance issues in some of the existing buildings related to the project (particularly building 314 at Garden Island). The Committee is aware that Defence considered refurbishing existing facilities, and that there are valid cost and risk reasons for demolishing the existing facilities and constructing new buildings.²⁴
- 5.67 The Committee inspected all three proposed locations for the works. The Committee greatly appreciates the patience of personnel at HMAS Watson in allowing the Committee to view various training exercises. The Committee also inspected a bridge simulator, which provided a unique perspective on berthing ships at Garden Island. The Committee thanks all personnel for their involvement in the inspection.
- 5.68 During the private briefing, the Committee viewed an animation that demonstrated the extent of overshadowing of residential properties adjoining the site of the proposed works at Randwick Barracks. The animation showed that there would only be overshadowing on one house, for less than an hour per day at the winter solstice. If overshadowing is a concern in future projects, the Committee encourages Defence to provide similar animations to the public during community consultation sessions.
- 5.69 Further, as noted above, Defence provided photos of the sites of the proposed works, from various perspectives and locations. These depicted a view of the site of the works at present, and a graphic representation of the same view on completion of the works. Such images provide an invaluable additional perspective on the project. The Committee encourages Defence to provide similar visual representations of proposed works to the local community and to the Committee.
- 5.70 The Committee was satisfied with the evidence provided by the Department of Defence regarding the proposed projects. The Committee is satisfied that the projects have merit in terms of need, scope and cost.
- 5.71 Proponent agencies must notify the Committee of any changes to the project scope, time and cost. The Committee requires that a post-implementation report be provided on completion of the project. A template for the report can be found on the Committee's website.

24 For more information, see *transcript of evidence*, 23 April 2013, pp. 2-3.

- 5.72 Having regard to its role and responsibilities contained in the *Public Works Committee Act 1969*, the Committee is of the view that these projects signify value for money for the Commonwealth and constitute projects which are fit for purpose, having regard to the established need.

Recommendation 3

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 warfare destroyer ship sustainment facilities at Garden Island, Randwick Barracks and HMAS Watson, Sydney, NSW.

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: Landing helicopter dock ship sustainment facilities at Garden Island and Randwick Barracks, Sydney, NSW.

