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**Department of Defence**  
Defence Support Group

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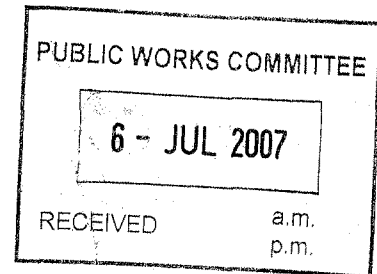
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The Hon Judi Moylan MP  
Chair  
Parliamentary Standing Committee on Public Works  
Parliament House  
CANBERRA ACT 2600



Dear Ms Moylan,

**RAAF BASE AMBERLEY REDEVELOPMENT STAGE THREE AND C-17 HEAVY LIFT AIRCRAFT INFRASTRUCTURE PROJECTS**

The purpose of this letter is to inform the Parliamentary Works Committee that several items identified under RAAF Base Amberley Redevelopment Stage One were not delivered, and have subsequently been included as part of the RAAF Base Amberley Redevelopment Stage Three and C-17 Heavy Lift Aircraft projects.

RAAF Base Amberley Redevelopment Stage One was approved by Parliament in September 1998 at an out-turned cost of \$73.3m. The Project consisted of new and refurbished operational, training, domestic support, logistics support and aircraft maintenance facilities, including a Gymnasium.

The Stage One Redevelopment was developed and delivered prior to the introduction of a 'two-pass' process into Defence's infrastructure development. The two pass process is comprised of a Strategic Business Case, which provides an indicative scope and cost estimate of +/-30%, and a Detailed Business Case, which further develops and refines this scope and provides a cost estimate +/- 10%.

Due to the lack of the two-pass process and subsequent lack of detailed design in order to provide accurate costs estimates, the budget for RAAF Base Amberley Redevelopment Stage One was not sufficient to deliver all scope items identified, and a priority list was created. The Gymnasium facility did not rank high enough on this priority list to warrant inclusion into the Stage One scope of works, and was subsequently not delivered under RAAF Base Amberley Redevelopment Stage One.

Due to the requirement for ADF personnel to maintain prescribed physical fitness standards, this function has been identified for inclusion into the RAAF Base Amberley Redevelopment Stage Three project. This project has gone through the two pass process, and all scope items are expected to be delivered within the budget.

Other elements not delivered by RAAF Base Amberley Redevelopment Stage One include the Explosive Ordnance Aprons and the Air Movements Terminal. These two elements form part of the requirement for the operation of the C-17 Heavy Lift Aircraft, and have therefore been included in the C-17 Heavy Lift Aircraft Infrastructure Project.

Defence has employed the two-pass process on a number of major capital facilities projects successfully, on time and within budget.

Yours sincerely



**William Grice**  
Brigadier  
Director General Infrastructure Asset Development

3 July 2007