

Airborne Early Warning and Control Facilities, RAAF Base Tindal, Northern Territory

- 6.1 The Airborne Early Warning and Control Facilities, RAAF Base Tindal, Northern Territory development proposes to provide facilities to support Airborne Early Warning and Control (AEW&C) aircraft operations from the base. The estimated cost of the project is \$64.2 million (excluding GST.)
- 6.2 The proposed AEW&C works was originally referred to the Parliamentary Standing Committee on Public Works (PWC) of the 41st Parliament on 21 June 2007. The inquiry lapsed with the dissolution of the 41st Parliament on 17 October 2007. The proposal was referred to the PWC of the 42nd Parliament for inquiry on 13 March 2008.

Conduct of the inquiry

- 6.3 The inquiry was initially advertised in the *Northern Territory News* on 28 June 2007. The inquiry was readvertised in the *Katherine Times* on 26 March 2008 and the *Northern Territory News* on 29 March 2008. The Committee received one submission to the inquiry and one confidential supplementary submission detailing the project cost estimates. A list of submissions can be found at Appendix A.
- 6.4 The Committee undertook a site inspection, in-camera hearing and public hearing on 17 April 2008 in Katherine. A list of witnesses can be found at Appendix B.

- 6.5 The transcript of the public hearing as well as the submission to the inquiry are on the Committee's website.¹ Plans for the proposed works are detailed in Submission 1, Department of Defence (Defence).

Need for works

- 6.6 The aim of these works is to provide facilities at RAAF Base Tindal to support the operation of the AEW&C aircraft enabling the base to be used as a forward operating base for exercise, training and contingency purposes.
- 6.7 In December 2000, the then Minister for Defence, the Hon John Moore MP, announced the Government's decision to acquire four Wedgetail AEW&C aircraft to form 'the cornerstone of Australia's air and maritime surveillance, and early warning and detection capability, well into this century.'² The aircraft's radar and electronic warfare systems are expected to significantly improve Australia's air defence command and control and strike capability.
- 6.8 The home base for the aircraft will be RAAF Base Williamtown, New South Wales. In September 2002, the Committee reported on the facility modifications required to support the introduction of the AEW&C at Williamtown.³ Evidence to that inquiry foreshadowed the potential need for additional facilities to support the aircraft at RAAF Base Tindal.
- 6.9 Defence anticipates operations of up to 900 flying hours per year for the aircraft, involving short term deployments of up to 120 personnel from Tindal.⁴ While many of the facilities to support AEW&C operations already exist at RAAF Base Tindal, there is a need for specific facilities to ensure safe and effective operations. The first AEW&C aircraft are scheduled for delivery in March 2009 with initial operational capability planned for mid-2010.⁵
- 6.10 The works are scheduled to commence in early 2009 and be completed by late 2010.⁶

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

2 The Hon John Moore MP, Minister for Defence, Media Release, 20 December 2000.

3 PWC report, *RAAF Base Williamtown Redevelopment Stage 1 and Facilities for the Airborne Early Warning & Control Aircraft*, September 2002

4 Submission 1, Department of Defence, p 2.

5 Submission 1, Department of Defence, p 2.

6 Brig W Grice, Department of Defence, Proof Transcript of Evidence, 17 April 2008, p 2.

- 6.11 Although the capability of the aircraft and the need for its operation at RAAF Base Tindal was not sufficiently outlined in the evidence provided by Defence, the Committee generally recognises the strategic importance of supporting the AEW&C aircraft capability in Northern Australia.

Scope of works

- 6.12 The proposed scope of works are detailed in Submission 1, Department of Defence. In short, three main projects are proposed as part of these works:
- taxiways, aprons and two aircraft shelters: three dispersed, drive through aircraft parking aprons, including one open and one enclosed shelter;⁷
 - technical support facilities: facilities for flight line crew, planning, maintenance, communications and life support equipment to be housed in an earth covered building with an attached workshop and stores facility. An ordnance pre-load facility is also planned near aircraft parked locations;⁸ and
 - hydrant refuelling: underground stainless steel pipe to connect the existing fuel farm 1 to the AEW&C precinct to provide a hydrant point for each aircraft parking location.⁹
- 6.13 An operations facility is also planned to accommodate mission control and communications equipment for the aircraft. In May 2006, this Committee's predecessor agreed to the commencement of the proposed operations facility as a medium work at an estimated cost of \$4.95 million. These works will be completed by June 2008.¹⁰
- 6.14 The Committee has assessed the proposal and considers the works appropriate to support the introduction of the AEW&C aircraft.

Cost of works

- 6.15 The total out-turn cost of this work is estimated to be \$64.2 million (excluding GST) which includes construction costs, management and
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7 Submission 1, Department of Defence, p 6.

8 Submission 1, Department of Defence, p 6; Brig W Grice, Department of Defence, Proof Transcript of Evidence, 17 April 2008, p 2.

9 Submission 1, Department of Defence, p 6.

10 Brig W Grice, Department of Defence, Proof Transcript of Evidence, 17 April 2008, p 6.

design fees, internal fit-out, information and communication technology and contingency allowance.¹¹

- 6.16 The Committee received detailed cost plans for the project and held an in-camera hearing with Defence on the full project costs.
- 6.17 The Committee is satisfied that the costings for the project are adequate and that suitable contingency planning is in place (including deferring non-essential works should there be budget over-runs in any area) to ensure the overall budget is not compromised.

Project issues

Land acquisition

- 6.18 In its submission, Defence stated that the land at RAAF Base Tindal was Commonwealth owned and Defence controlled with 'no requirements to seek planning approvals'.¹² At the public hearing, Defence advised the Committee of a potential zoning and approvals issue that had come to light in the intervening period. A small part of the land within the base now appears to be Northern Territory vacant crown land, previously the site of the old northern railway line. As a consequence, Defence sought to amend its submission with the replacement of paragraphs 35 and 36 with the following respective paragraphs:

The property is owned by the Commonwealth and controlled by the Department of Defence, with the exception of the Northern Territory portion 4323, which is understood to be Northern Territory vacant crown land. On survey plans it is marked as the disused Northern Territory railway. Northern Territory portion 4323 bisects RAAF Base Tindal. Defence will comply with all national, territory and municipal requirements.

Defence is currently liaising with the Northern Territory government and is seeking to acquire freehold tenure for the former rail corridor.¹³

- 6.19 When the base was established in the 1980s Defence sought to relocate the old Stuart Highway and the old northern railway line. A land

11 Submission 1, Department of Defence, p 27.

12 Submission 1, Department of Defence, p 8.

13 Brig W Grice, Department of Defence, Proof Transcript of Evidence, 17 April 2008, p 2.

swap between the Commonwealth and Northern Territory was undertaken to facilitate the relocation of the Stuart Highway, however no land swap occurred for the former rail corridor. The new rail corridor is not located on Defence land.¹⁴

- 6.20 Defence initiated discussions with the Northern Territory on acquiring the land in February 2008. At this stage, Defence are not aware of any particular problems with securing the land and have advised the Committee that the issue would not impede the implementation of the proposed works.
- 6.21 The Committee notes that Defence was unaware of this issue prior to preparing for the site inspection and hearings. The Committee would prefer to see this issue resolved without additional cost to the Commonwealth.

Capacity of local construction industry

- 6.22 In relation to the four separate public works referrals before the Committee in the Northern Territory, Defence advised the Committee that it had attended the following consultations with the local construction industry:
- Northern Territory Defence and Industry briefing Darwin, 24 August 2006;
 - Department of Defence Northern Territory Construction Industry Briefing, Darwin 27 March 2007 and in Katherine 28 March 2007; and
 - Northern Territory Defence and industry regional briefing , Darwin 27 September 2007.
- 6.23 Brigadier Grice, Director General of Defence Infrastructure Asset Development, noted:
- At those briefings, we provided advice to local contractors on the accreditation requirements that were required to qualify for Commonwealth works and provided advice to those who requested it on how to go about doing that.¹⁵
- 6.24 Defence have also engaged a market consulting firm to examine the capacity of the Northern Territory construction industry to cater for

14 Brig W Grice, Department of Defence, Proof Transcript of Evidence, 17 April 2008, p 2.

15 Brig W Grice, Department of Defence, Proof Transcript of Evidence, 17 April 2008, p 7.

the four proposals. As a result, Defence are confident that there is 'sufficient industry capacity' to concurrently deliver the four proposals. It is also expected that Katherine regional subcontractors will be competitive in relation to the Tindal projects.¹⁶ In any case, it is likely that interstate contactors would be less competitive given the costs associated with transporting labour into the Territory.

- 6.25 The Committee considers that these projects present a good opportunity to consider local employment and training needs and reiterates points made in Chapter 2, that contractual arrangements should include local employment opportunities where possible.

Committee comment

- 6.26 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost. No other submissions were received raising issues with the proposed works. The Committee is satisfied that there are no reasons to object to the work proceeding.
- 6.27 Having examined the purpose, need, use, revenue and public value of the work, the Committee considers that it is expedient that the proposed works to support the operation of the AEW&C aircraft at RAAF Base Tindal proceed.

Recommendation 8

- 6.28 **The Committee recommends that the House of Representatives, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, resolve that it is expedient to carry out the following proposed work: Airborne Early Warning and Control Facilities, RAAF Base Tindal, Northern Territory.**

16 Brig. W. Grice, Department of Defence, Proof Transcript of Evidence, 17 April 2008, p. 7