



COMMONWEALTH OF AUSTRALIA

**JOINT PARLIAMENTARY
COMMITTEE**

on

PUBLIC WORKS

Reference: Development of operational facilities at RAAF Base, Learmonth

EXMOUTH

Monday, 30 June 1997

OFFICIAL HANSARD REPORT

CANBERRA

WITNESSES

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**KENNEDY, Air Commodore James Frederick George, Director General
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**MORGAN, Wing Commander Stephen James, Project Director, Department of
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JOINT COMMITTEE ON PUBLIC WORKS

Development of operational facilities at RAAF Base, Learmonth

EXMOUTH

Monday, 30 June 1997

Present

Mr Andrew (Chairman)
Senator MurphyMr Hatton
Mr Hollis

The committee met at 1.29 p.m.

Mr Andrew took the chair.

CHAIRMAN—On behalf of the Parliamentary Standing Committee on Public Works I declare open this public hearing into the proposed development of the operational facilities at RAAF Base, Learmonth, Western Australia.

This project was referred to the Parliamentary Standing Committee on Public Works for consideration and report to parliament by the House of Representatives on 15 May 1997 at an estimated out-turn cost of \$69 million.

In accordance with subsection 17(3) of the Public Works Committee Act 1969:

- (3) In considering and reporting on a public work, the Committee shall have regard to—
- (a) the stated purpose of the work and its suitability for that purpose;
 - (b) the necessity for, or the advisability of, carrying out the work;
 - (c) the most effective use that can be made, in the carrying out of the work, of the moneys to be expended on the work;
 - (d) where the work purports to be of a revenue-producing character, the amount of revenue that it may reasonably be expected to produce; and
 - (e) the present and prospective public value of the work.

This morning the committee inspected RAAF Base, Learmonth. The inspection included existing facilities and the sites proposed for the construction of new facilities. RAAF Base, Learmonth, is in the federal electorate of Kalgoorlie which is represented by Mr Graeme Campbell. It is in the state electorate of Ningaloo which is represented by Mr Rod Sweetman. The committee extended an invitation to Mr Campbell and Mr Sweetman to join the inspections this morning and to be present this afternoon. Mr Campbell has sent his apologies and we are pleased to extend a warm welcome to Mr Sweetman. This afternoon the committee will hear evidence from the Department of Defence, the Exmouth Shire Council and the Gascoyne Development Commission. I now call representatives of the Department of Defence who will be sworn in by the assistant secretary.

BYRNE, Group Captain, Philip Darcy, Director of Aerospace Systems Development, Department of Defence, Russell Offices, Canberra, Australian Capital Territory 2600

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KENNEDY, Air Commodore James Frederick George, Director General Facilities—Air Force, Department of Defence, Campbell Park Offices, Australian Capital Territory 2600

MORGAN, Wing Commander Stephen James, Project Director, Department of Defence, Campbell Park Offices, Canberra, Australian Capital Territory 2600

CHAIRMAN—I welcome the witnesses. The committee has received a submission from Department of Defence dated May 1997, do you wish to propose any amendments, Air Commodore Kennedy?

Air Cdre Kennedy—Mr Chairman, we have no changes to the text. I have provided to the secretariat a change to the table of contents.

CHAIRMAN—It is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The document read as follows—

CHAIRMAN - Would a representative of the Department of Defence now read a summary statement to the committee, after which we will proceed to questions.

Air Cdre Kennedy—The construction of new facilities to improve the operational effectiveness of RAAF Base, Learmonth is advocated by this proposal. RAAF Base, Learmonth forms part of a chain of defensive airfields across northern Australia and is vital to the air defence of north-western Australia. Learmonth is a bare base under the command of Headquarters Air Command and is administered by No. 321 Air Base Wing, based at Darwin.

The primary function of the base is to serve as a deployment base for combat aircraft in a contingency. The layout of facilities at Learmonth incorporates planning during the late 1960s and early 1970s when the base was developed by No. 5 Airfield Construction Squadron. The layout lacks modern passive defence measures and separation of facilities to take account of ordnance safety regulations. The proposed works are needed primarily to provide the base with the facilities to perform its operational role in a safe and effective manner.

The prime deficiencies can be summarised as follows: the lack of explosive ordnance aprons for deployed fighter, strike and maritime patrol aircraft presents constraints on the manner in which aircraft can operate at the base; there are no operational and technical support facilities at the base to support deployed fighter, strike and maritime patrol aircraft; and there is no facility at Learmonth for the safe loading and unloading of C130 transport aircraft used to transport ordnance, and this imposes constraints on airfield operations. Also, aircraft placed on alert lack an appropriate sheltered facility with rapid access to the main runway for take-off. Such a facility is required to improve the air defence potential of the base.

Other deficiencies are that explosive ordnance preparation facilities are primitive and are located contrary to the master plan; the central emergency power station is located in the aircraft operational zone contrary to the master plan; the aircraft pavements have not had major maintenance since their completion in 1974 and they exhibit signs of ageing; the airfield lighting equipment is aged and does not meet contemporary operational requirements; and the existing airfield lighting cabling and luminaires have reached the end of their useful life.

The works include: 10 explosive ordnance loading aprons for fighter and strike aircraft; four explosive ordnance loading aprons for maritime patrol aircraft—one apron of which will double as an explosive ordnance apron for transport aircraft; alert facilities for fighter aircraft; operational and technical support facilities for fighter and strike aircraft; upgrading of existing flight-line buildings to provide operational and technical support facilities for maritime patrol aircraft; ordnance preparation and pre-load facilities; central emergency power station; rehabilitation of existing aircraft pavements; airfield lighting

equipment and airfield lighting; engineering services and civil works. The estimated out-turn cost of the works is \$69 million, including professional fees and charges, furniture and fittings, and a contingency provision.

Subject to parliamentary approval of this proposal, tenders are planned to be called in September 1997, with the objective of having construction completed by the end of 1999. The proposed development works would enhance the operational effectiveness and capability of RAAF Base Learmonth. Of paramount importance is the provision of facilities to enable deployed fighter, strike and maritime patrol aircraft elements, including their support, to operate at Learmonth in conditions that accord with ordnance safety regulations and to enable safe loading and unloading of air transported ordnance.

An environmental certificate of compliance has been issued for the operational works. No direct adverse environmental effects are foreseen and measures to contain any possible environmental degradation are being incorporated into the design of the facilities, including safeguards to prevent the possibility of contaminants entering surrounding watercourses and subterranean environment. Ordnance safety aspects would be improved. No heritage implications are evident in respect of the works. Consultation has occurred at Commonwealth, state and local government levels.

CHAIRMAN—Air Commodore Kennedy, on the number of occasions that you have appeared before this committee it has always been for a defence proposal with which you have clearly had a commitment, but an impartial commitment. It is obvious that, in the case of Learmonth, we have a base with which you have had a long association—five years of your military life was spent here. In fact, local rumour has it that, but for the confusion that it would have caused our allies, this entire peninsula may have been renamed ‘Cape Kennedy’, I am told. Do you think, Sir, that you are in a position to be quite impartial in your advocacy of this particular project?

Air Cdre Kennedy—The Kennedy you are talking about is probably deceased, Mr Chairman. My association here goes back over 25 years ago so I do not have quite as close an association as you may seem to think.

CHAIRMAN—Nonetheless, I think it is fair to say that you have shown, appropriately, this morning a certain pride in this base and in the development that has occurred. Therefore, would you like to comment, for the sake of the *Hansard* record and to reassure the committee, on the strategic importance of this site relative to other sites for which we have to make taxpayers’ resources available?

Air Cdre Kennedy—I will ask Group Captain Byrne to answer on the strategic importance of the base. But I think it is fair to say that the Royal Australian Air Force has a very close association with the township of Exmouth, particularly with No. 5 Airfield Construction Squadron, which I was honoured to serve with, being here from 1970 through to 1974.

It is fair to say that the roots for the Australian Defence Force were sown in that time and have been admirably carried on by the Royal Australian Navy since the airfield construction squadron left. In terms of the strategic importance, I will pass to my colleague.

Group Capt. Byrne—RAAF Base Learmonth is a vital part of a number of air bases that stretch across the north of Australia. It is the most westerly of those operational bases that would form the defence of the top end of Australia. Together with Curtin to the north-east of here, Darwin and Tindal in the Darwin-Tindal access, Scherger and, south of Scherger, Townsville, RAAF Base Learmonth forms the basis of the air defence and control of the sea-air gap to the north of Australia.

CHAIRMAN—Given that the north and western coasts of Australia are obviously important in strategic terms, is Learmonth a weak link in the cover you have just indicated?

Group Capt. Byrne—No, in fact, it is probably one of our strong points. Learmonth is able to be supported by virtue of a reasonably secure sea transport link to the south-west of Australia. It can also be resupplied by road and by air. Indeed, by virtue of its position to the south of the line of airfields across the north of Australia, it is more survivable by virtue of being less vulnerable than the other bases. It is, thus, a very important part of air power projection to the north of Australia. It is not a weak link. It is one of the stronger links in our northern defences.

CHAIRMAN—Perhaps I should rephrase that. This committee is reasonably familiar with Scherger—the base is yet to be opened, but it is in the construction phase—and even more familiar, as you are aware, with Tindal, Darwin and Curtin. I would have thought that, if Australia were to find itself under threat tomorrow, in terms of readiness this would be seen as a weak link.

Group Capt. Byrne—The weakness to which you refer is really a reflection of a need for development and redevelopment. This is a most important site that does need to be developed. The limitations that are present with the current base, which are being recognised and addressed through the redevelopments that are occurring or are proposed to occur over the next two years, would redress many of the weaknesses that you allude to.

CHAIRMAN—Concerning the weaknesses that I have alluded to, and that this hearing is looking at the stewardship of addressing, the committee gathers from its briefing that one of those weaknesses—and I appreciate you may find another word you prefer to be used—is the pavement surface here at Learmonth. Would you—or whomever Air Commodore Kennedy may nominate—care to comment on the pavement surface, on its relative strength, on the upgrade and on the estimated life of the upgraded pavement surface?

Air Cdre Kennedy—The existing pavement surface is now almost 25 years old. It is quite extraordinary that this will be the first occasion major refurbishment has taken place, compared with other flexible pavement surfaces on pavements around Australia. We would expect the resurfacing to occur every 15 years or so. The other important aspect is that the pavement has not shown any occurrences of changing shape. The problem with the surface is primarily due to ageing, which is a natural phenomenon with flexible pavements which rely on bitumen to bind them together.

The strength of the pavement is quite adequate for the purposes that are intended, both from a military perspective and also from a civil-domestic airline perspective. There has been some comment by the Shire of Exmouth in terms of the downgrading of the PCN from 50 to 38. The reason for that downgrading was primarily to align the pavement with the way in which we would appropriately record the strength of pavements within the Department of Defence.

The pavements, as the committee is aware, are owned by the Department of Defence. We have the responsibility for managing those surfaces. We are very concerned that the surfaces are available in operational form to meet the purpose of them being constructed for operational needs, so we manage them very carefully. The way in which we manage them primarily relates to aircraft weights in terms of the type of configuration of the different types of aircraft.

So the PCN of 38 more aligns with our evaluation of the pavement's strength. With the overlay of the pavement with a nominal 50 millimetres of asphalt concrete, that will increase the strength by about 10 per cent, bringing it up to a PCN of about 43. In terms of the ability of those pavements to be able to support projected civil requirements, certainly concessions will have to be granted, but those concessions allow up to 33 movements under concession in the sixth-month period, including military movements. The military utilisation in terms of the need for concessions is very minimal. I hope that answers the question for you.

CHAIRMAN—So the frequency of usage has as much impact as the weight of the aircraft involved in the usage, does it?

Air Cdre Kennedy—It does. The 747, for example, in considerable heavy configuration would not allow up to 33 movements under concession. It would be a lesser number. We divide them into three categories, but the total number of concessions is 33.

CHAIRMAN—If, for example, the use of Learmonth for civilian activities were likely to exceed that, is Defence receptive to a joint upgrade, if necessary, to allow the PCN to be lifted? I am not sure how the PCN of, say, 43—to pluck an example out of the air—would compare with Adelaide International Airport but, if it were necessary to lift it, is Defence receptive to the idea of a joint approach?

Air Cdre Kennedy—Defence has a number of joint user airfields. Learmonth is just one. RAAF Base Darwin is an international airfield. Williamtown and RAAF Base Townsville are international airfields. There is also Fairbairn in Canberra. Where the requirement to increase the strength of the airfield is required by Defence, Defence would pay for that upgrade. Where the upgrade is required by the joint user, then the joint user would pay for that upgrade. My view, based on my discussions with the Shire of Exmouth, is that the need to substantially increase the strength of the airfield is a long way off in terms of the likely utility of the airfield.

CHAIRMAN—But, if I ask a question as a layman, is it possible to upgrade the strength of the airstrip without rebuilding the foundations?

Air Cdre Kennedy—The overlaying of asphalt would provide that. As I mentioned earlier, providing 50 millimetres of asphalt concrete will increase the strength by about 10 per cent.

CHAIRMAN—I will turn to the committee for questions in just a moment, but there is one other area I would like to pursue first, Air Commodore Kennedy; that is, without wanting to prejudice the committee's views, I want to say that Defence has certainly indicated the relative inadequacy of Learmonth compared with the Curtins or Schergers of this world in 1997 terms. The concern that every committee member would have would, of course, be the stewardship of the \$69 million estimated cost of this particular proposal. Can you indicate for the committee's information what the cost of bringing Curtin up to the 1990 standard happened to be? You could also take Scherger, if you wanted to take a greenfield site.

Air Cdre Kennedy—I suppose it depends on what element of infrastructure you are talking about.

CHAIRMAN—Can I rephrase it then and say there are obviously two concerns I have as chairman of the committee. Firstly, presumably it is cheaper to do what we are doing on the existing site than to be inland 30 kilometres or whatever. Secondly, the almost \$70 million represents a large portion of taxpayer revenue by any resource. The responsibility this committee has, as ruthlessly as it can, is to discover what sort of stewardship we are making to the \$70 million and what is being done by Defence to ensure that there is not any additional expenditure within that \$70 million that could not be better used in other areas of the Defence budget.

Air Cdre Kennedy—Within the Defence budgeting procedures, the department is very conscious of a need in terms of the priorities of work. That is one of the prime reasons why it has taken until now to address the deficiencies here at Learmonth. In fact, Learmonth is currently one of the most important priorities. Scherger will come on-line next year.

We have significant work to be done at Darwin and Tindal. That has just been before this committee and works are about to commence. That is seen as being vital in priority. I believe Defence has been very conscious in terms of the importance of the works here in the total context of a budget of about \$500 million annually that Defence spends on capital facilities.

CHAIRMAN—But within Defence, and particularly within RAAF, what internal evaluation mechanisms do you have in place to ensure that it is necessary to expend \$69 million and not \$62 million to achieve the same end result here at Learmonth?

Air Cdre Kennedy—It gets down to a clear definition of what your requirements are. There are some dozen or so elements that it is clear need to be done here. We cost cap the project based on a consultant's assessment of the scope of work, and we then manage to ensure that we deliver those works within that cost cap. That gives an element of discipline to ensure there are no embellishments to the project as we proceed. No doubt the committee has in the past been very concerned about the elements of contingency we provide within the project to ensure that is appropriate. I am confident that the \$69 million is appropriate to be able to accommodate the elements that we have identified.

CHAIRMAN—How does that compare with the cost of, for example, the Scherger base?

Air Cdre Kennedy—The Scherger base in total development was estimated at just under \$190 million; we will complete it next year for \$145 million. You should bear in mind there was a very significant element of contingency on Scherger, primarily because of the unknown quantity of developing in that remote locality. There has also been very strong management control on the process to ensure that savings that accrue from that particular project compete with other priorities within the Defence budget.

CHAIRMAN—Do you recall what the outlay on Darwin was for the upgrade?

Group Capt. Kavanagh—It was in the order of \$65 million.

Air Cdre Kennedy—It was actually \$59 million outturn.

CHAIRMAN—That was a figure we were debating. There are other questions I would like to ask, but they do not refer specifically to the airfield upgrade. I will hand to Senator Murphy.

Senator MURPHY—If I can just refer to the Gascoyne Development Commission's submission that you would have seen, I assume. Firstly, page 4 of that submission says that the Shire of Exmouth was proposing to develop an international air terminal. There is an indication at 4.6 on page 4 that the shire is ready to call tenders, and the commission indicates there is an opportunity for the concurrent calling of tenders.

What discussions have you had with the shire, and what is Defence's view of joint tender calling or concurrent tender calling?

Air Cdre Kennedy—I visited here several months ago and had some in-depth discussions with both the Gascoyne Development Commission and the Shire of Exmouth. We certainly did discuss opportunities for economies of scale. The Shire of Exmouth looked at this and have come aboard with us in terms of overlaying their aircraft apron and the lighting component for that.

For the remainder of their works—and they can confirm this when you speak to them later—I understand they do not have total approval to proceed. Certainly, we did look at economies of scale. We made the offer. They responded to us recently and we will take that on board.

Senator MURPHY—Did I understand you to say that you are not sure that they have approval to proceed?

Air Cdre Kennedy—With the major development.

Senator MURPHY—Because there is an indication at 4.6, it would read to me, that the shire is ready to call tenders at this time.

Air Cdre Kennedy—You will need to ask them that question.

Senator MURPHY—Again, in areas of concern under section 5 of their submission, it talks about the question relating to the lease agreement. It states:

The Shire of Exmouth entered into a lease agreement with the Commonwealth Government in 1993 on the understanding that services to the civilian terminal would be guaranteed, and that subject to Department of Defence priorities, access to the runways would be unrestricted.

I understood from some discussion we had this morning that there may be some restrictions placed on the access. Can you indicate to the committee what they might be?

Air Cdre Kennedy—I suppose there are a couple of aspects. One is that, with Learmonth being so remote from Exmouth, the utilities on the base service a number of other users beside Defence, including the shire of Exmouth who are the managers of the civil terminal, the Bureau of Meteorology and the solar observatory. In terms of electricity, for example, the main supply comes from town with Western Power being the provider. It enters our intake substation, is reticulated there and we feed these facilities.

When these works commence, the central emergency power station will have to be removed. That means that no emergency power will be available for any of the users during the period of the construction. What we will work through with the shire of

Exmouth and the other users is an administrative arrangement, both a method of working plan in terms of the operational elements of the airfield and an administrative arrangement in terms of the provision of services to ensure that everyone's requirements are met during the construction period. For example, with airfield lighting, which is vital for flying at night, we will need to put in some interim control facilities to control the lighting and also some emergency power to back up that lighting during that period. We will do that and we will consult with the shire of Exmouth on that. In terms of the overlay, a method of working plan will be developed to ensure that appropriate runway length is available when domestic services require it.

Senator MURPHY—In 5.2, although they do not explain specifically what the limitations were, it says:

Preliminary discussions with the RAAF indicate that there may be limitations imposed on the supply of services to the civil terminal.

And I assume that relates to the power supply matters. Also on page 5 it mentions the central emergency power station where they go into that question of their seeking a cooperative approach. Can I assume from what you have just said that that is occurring?

Air Cdre Kennedy—Yes, it will be a cooperative approach. However, I think I should add, as I said this morning, that Defence is not in the game of providing utilities to other users but, because of the remoteness of Exmouth and the services that are provided by Exmouth from Learmonth, we need to work in a cooperative arrangement.

I have discussed with the shire of Exmouth that, as their electrical load profile increases with the development, they may care to consider having an independent feed bypassing the air force grid. When these works are completed with the central emergency power station in place—I should mention that the load that is supplied to the base is currently geared to a maximum of 1 MvA and Western Power cannot provide more power than that—and the load profile gets greater than that, our central power station will turn into a central power house to provide our needs. But we cannot guarantee emergency power to any of the other users other than mains power; so they will need to make that judgment themselves whether they can accept being load shed if the demand gets too high.

Senator MURPHY—If I can just ask one final question relating to point 102 on page 17 of your submission:

A search of the Register of Native Title Claims and the National Native Title Register indicated that no applications for the determination of Native Title have been lodged in relation to land in this area.

I think I was informed at lunchtime that there may now have been a native title claim lodged for a substantial area. I just wondered whether Defence has checked that and whether or not there is any potential impact of a claim that has been made most recently.

Air Cdre Kennedy—We have not checked specifically. Our consultants GHD who did the environmental assessment for us had discussions with Aboriginal elders from this area and to their knowledge there were no heritage aspects, no standing claims nor any intention of having any claim.

Senator MURPHY—I would like to know because it is something I was made aware of at lunchtime.

CHAIRMAN—We can ask the shire that question when they appear before us to give evidence.

Mr HOLLIS—Air Commodore Kennedy, going back to the point the Chairman was making about the \$69 million—a lot of money—I note with interest what you were saying about Scherger coming in at much below cost because of the, if you like, inflated contingency. Has the contingency in this project been inflated?

Air Cdre Kennedy—Absolutely not, Mr Hollis.

Mr HOLLIS—But you said at Scherger too, didn't you?

Air Cdre Kennedy—Pardon?

Mr HOLLIS—But you gave us to understand at Scherger that there was no fat in the contingencies?

Air Cdre Kennedy—My memory is not as good as yours, Mr Hollis. We were aware that the contingent provision for Scherger was very high. There were quite a number of very significant unknowns. It is very remote. We had to open a new quarry which required moving material some 200 kilometres along an unsealed road. But we undertook to manage that contingency to ensure that there was no embellishment to the project, and that has been achieved.

Mr HOLLIS—Are there special costs associated with building here at Exmouth?

Air Cdre Kennedy—Probably the greatest risk to us, and I think it is a manageable risk, again would be the high performance rock materials. In this particular case—unlike Scherger where we decided to open our own quarry and have a contract to operate it—we are leaving that to the industry; that is, we are leaving it to the preferred contractor who is going to do the contract work to obtain the rock to meet the design parameters himself. So there is an element of risk there. I know that they will need to liaise with the state and so forth on the ability of the quarries here to be able to produce that.

Mr HOLLIS—Who is going to do this work; is it going to be put out to tender?

Air Cdre Kennedy—It will be put out to competitive tender. We propose to let one contract for the entire job.

Mr HOLLIS—One contract and then?

Air Cdre Kennedy—The contractor himself will then subcontract accordingly.

Mr HOLLIS—How often will Defence be using this base here?

Group Capt. Kavanagh—We anticipate there will be continuous use for the base on a limited usage with deployments from mainly air force and also army for exercise purposes, but we will activate the base for a major exercise once every three years.

Mr HOLLIS—And basically to use the base and activate it once every three years, this \$69 million can be justified?

Air Cdre Kennedy—I believe so, Mr Hollis, quite so. In terms of the operational capabilities that this base has to perform, these works are essential.

Mr HOLLIS—I noted in the papers somewhere that this is regarded as a backup airport for Perth airport; has it ever been used as a backup airport?

Air Cdre Kennedy—You probably should ask the shire of Exmouth in recent times how often it has been used. But when it was originally designed it was in mind as an alternate designation to Perth. I believe it has been used but I cannot tell you how often.

Mr HOLLIS—That is all, Mr Chairman.

Mr HATTON—Air Commodore, if I could start with you: this was first used as a World War II base, use was discontinued after World War II and then it was built when you came here 25 years or so ago. Is the decision to upgrade this base now on the basis that the decision was made 25 years ago and you have got existing infrastructure here; was it decided on that basis to go ahead with this rather than to create a new bare base further inland or somewhere else that had better location factors; or was the decision that was made 25 years ago that the best location factors for a base were here at Exmouth?

Air Cdre Kennedy—I cannot answer the question regarding what happened in the 1960s in the determination to develop Learmonth as against any other location. But certainly in the context of the work that is going on now in terms of the infrastructure requirements for defence airfields right across the top end—I am talking about the strategic airfields—there has been a very significant look at this by higher defence

committees as to whether the actual location of Learmonth is appropriate or otherwise.

It is vital that Learmonth be located where it is. It is not as significant, as we mentioned this morning, in the sensitivity area of the airfields like Scherger, Darwin, Tindal and Curtin. It does not fulfil an identical role to what those bases perform. But whether Learmonth is appropriately located, my belief is yes.

Group Capt. Byrne—Mr Hatton, if I may add to that: Learmonth being developed at the time that it was—that is, it was developed before Scherger and Curtin—the positioning of Curtin and Scherger depended as much upon the pre-existence of Learmonth as the strategic need. As I have mentioned before, these bases are complementary. They are not competitive in any sense. Indeed, Learmonth complements Scherger, Darwin, Tindal, Curtin and Townsville.

Mr HATTON—So that, for the protection of our assets in the Indian Ocean and for the protection of our assets inland here, there is a particular complementarity between Curtin and Learmonth and they operate together; is that right?

Group Capt. Byrne—That is exactly correct. Indeed, if one takes it even further, there is a complementarity between Learmonth and Christmas and Cocos Islands—that these work together as bases available to the ADF in projecting our power wherever we need it to the north-west of Australia.

Mr HATTON—This question you may not be able to answer but, given the significance of this base—that it has very good location factors, that it can be serviced by road, air and sea and that it is very well sited—why have you chosen to leave it as a bare base rather than develop it as a populated base? We have only got Darwin and Tindal as populated bases and we are leaving this for use once every three years. Was it ever considered to build it up as a fully operating base?

Group Capt. Byrne—Not to my knowledge.

Group Capt. Kavanagh—It was, I believe, manned up until 1973; so it was manned for 30 years after World War II. But we decided to then withdraw from it and leave it as a bare base, mainly for economic reasons I believe. It does cost a lot more to put an airman here on a permanent basis than, for example, to have him based in Point Cook or in Williamstown and close to the cities on the east side. I think it is economic reasons more than anything else.

Mr HATTON—You have argued that it is absolutely necessary and fundamentally important to expend the \$69 million. In the periods when it is not being used as an operational base, what sort of protection of these assets do we have in operation; how is the security of the airfield guaranteed during that period of time when it is not being used?

Group Capt. Kavanagh—We rely on the current security situation right around the whole of the country. We have bare bases all over the country. If the security need increased, then we would have to look specifically at that requirement. But with our current threat assessment within Australia, we do not believe we need to put specific resources into the security of bare bases right now.

Mr HATTON—And just in terms of local security, that is covered—

Group Capt. Kavanagh—That is covered by caretaker personnel and by standard defence measures such as fences and so on.

Mr HATTON—I would like to ask whether the facilities planning for this base were affected by the defence efficiency review. Is there any conjunction between the two lots of planning here?

Air Cdre Kennedy—None.

Mr HATTON—None at all?

Air Cdre Kennedy—No.

Mr HATTON—What about with the defence information paper in 1987 and then the white paper in 1994, did the development of this base and the other bases to the north emerge out of the thinking that was involved in those papers?

Group Capt. Byrne—The force structure review in 1991 did recognise the need to develop our northern defences. So that is one direct linkage between the development of Learmonth and the force structure review. It has taken from 1991 to the current time to develop that and, of course, it is a matter of budgetary pressures and priorities as to what you put your money into first.

Mr HATTON—There is another white paper due fairly shortly, is it your expectation that the upgrade of this facility and the further upgrades of Curtin, Scherger Darwin, Tindal and so on will not be swept aside by that? That is, we could expect an endorsement of what is proposed here.

Group Capt. Byrne—I expect that that will be the case. From my understanding—I have not been privy directly to that strategic review but I understand that it will be going to cabinet very soon—and from everything that I have read to date, I believe that that review will strengthen the need for the redevelopment of Learmonth.

Mr HATTON—Chairman, I might come back later with other questions. I have just got one for Air Commodore Kennedy. You indicated that there are no heritage considerations operative in regard to this upgrade. But, as I understand, the Heritage

Commission had not much idea when defence replied that there is one piece of evidence of World War II usage and that is the old gravel runway that was in existence. You can just see part of that. But I imagine that the work done 25 years ago by your lot in the future may give grounds for a heritage provision here but Lake Kennedy may also be—you need not answer that.

Air Cdre Kennedy—You are very naughty, Mr Hatton.

CHAIRMAN—Air Commodore Kennedy, in the briefing that Group Captain Kavanagh gave us this morning, you mentioned attached property 10 which was being used as a small arms firing range now and had been used as a firing range for the base in the past; am I right?

Group Capt. Kavanagh—Attached property 10 is the air weapons range which is primarily an air weapons range. It has not been used in that full sense since 1992, although we have a continuing use for it as an air weapons range. In the interim period, it has been used for small arms fire primarily by the army.

CHAIRMAN—Is it a polluted area because of this former use or are there no UXOs or anything like that on the range?

Group Capt. Kavanagh—Like all air weapons ranges it will have some unexploded ordnance on it; so we cannot say that it is totally sterile. There would be some pollution on it, yes.

CHAIRMAN—Is public access to it even more restricted than public access to the rest of Learmonth base or does it simply fall into the same constraints?

Group Capt. Kavanagh—There is public access through the range along the coast but that is well away from the target areas. We have put into place security measures such as fences, gates and sign posting to make people aware that it is an air weapons range. When we ever use it, obviously it would be cleared and secured before we would use it.

CHAIRMAN—The other issue I wanted to raise with Defence was a location of, I presume, a civil light aircraft strip to the north of Learmonth—in fact, not far south of the town of Exmouth. A road sign indicated that it was just west of where we were travelling. Does the presence of light aircraft pose a problem for you in either the day-to-day activities or in exercises out of Learmonth?

Group Capt. Kavanagh—No, it does not create a problem for us. There is enough natural separation. Aircraft that operate in and out of there work on a seen to be seen principle. If we run a major exercise there, we bring in our own air traffic control operators who would then maintain separation from the ground. On day-to-day operations

with the usage of both the light aircraft airfield and our own airfield there is no problem.

CHAIRMAN—How much light aircraft activity is there on and off that airfield? Would Defence be aware of it, or should I ask the shire?

Group Capt. Kavanagh—I am not aware of the exact usage. I have a feel that it is not a great deal. You would have to ask the shire to get the exact figures.

CHAIRMAN—On a similar line then, given that we are talking about the development of an airstrip that will continue to be used for both civilian and defence purposes, if Defence is involved in a major exercise in liaison with our allies, would that mean that there is a need to close the Learmonth airstrip to civilian use?

Group Capt. Kavanagh—Do you mean the light aircraft?

CHAIRMAN—No, Learmonth air force base. If we have a major exercise like Kangaroo 97 or whatever the next exercise will be involving sharing responsibilities with the Singaporeans, for example, do we then find ourselves so busy and so needing the facility for the realistic exercise that it is necessary to close it to civilian use?

Group Capt. Kavanagh—The simple answer to that is no. We can operate during major exercises out of international airfields like Darwin, where we have got 120,000 movements per year. We certainly have the air traffic control resources to support that, but we would have to bring in those resources and apply those resources to the size of the exercise, if you like. I do not see any problem there at all.

CHAIRMAN—So you see no threat to the tourism potential of this town as a result of the potential expanded air force use of the air force's facility?

Group Capt. Kavanagh—No, I do not.

Senator MURPHY—This morning when we were getting our briefing with regards to the changes that you will ultimately, I assume, carry out at the air base, I understood that there was a plan to move the civilian residential facilities from where they are currently located.

Air Cdre Kennedy—Do you mean the on-base domestic facilities?

Senator MURPHY—Yes.

Air Cdre Kennedy—We are certainly foreshadowing to this committee that we do intend at some time in the future to relocate those facilities.

Senator MURPHY—So it is not part of this proposal?

Air Cdre Kennedy—No, it is not part of this proposal.

Senator MURPHY—That is okay. It was just that I could not find any money in there for it.

Air Cdre Kennedy—We are awaiting agreement from the committee, which I understand is forthcoming, for the contingency accommodation to go into Tindal. That will be a trial. We want to trial that first before we implement that at other locations. It would be our intention to relocate all the domestic accommodation at Learmonth to the master plan location for it.

Senator MURPHY—With regard to the additional land that was discussed this morning for potential acquisition, is that also a separate proposal?

Air Cdre Kennedy—That will be done separately.

Senator MURPHY—There are no associated costs with this project?

Air Cdre Kennedy—No. No capital works related to this project require land acquisition at this time, but we would intend to do that to accord with our master plan of what we intend to do in the future.

Senator MURPHY—I was curious about the number of people that may be required in a permanent sense once you get the upgrade done. You have got two at the moment. Is it likely that there would be more than two after the completion of the additional works?

Group Capt. Kavanagh—We do not foresee any more than two. It will not make a great deal of difference to the role and responsibility of the current caretaker and his offsider.

Senator MURPHY—Once you have completed the work and you have come around to the once-every-three-year live base operation, what will the security arrangements be for operating domestically and operating as a live base at that time? Will that change at all?

Group Capt. Kavanagh—When you say security—

Senator MURPHY—If you have those ordnance facilities there, which are not there at the moment, will you need to upgrade your security arrangements?

Group Capt. Kavanagh—Part of the upgrade is to improve those security arrangements.

Senator MURPHY—I am asking the question from an employment point of view. Will security people need to be used for maintaining the security of the base?

Group Capt. Kavanagh—During those periods, we have our own personnel there. Part of the contingent that will be deployed will be security people, service policemen and airfield defence guards, and so on. When we run these exercises, one major aspect of them is physical and defence security, so we would bring our own resources with us.

Senator MURPHY—So there will not be any need for additional security once those facilities are there. In a general sense, when you are running it as a bare base, there will not be any need for anything to be monitored?

Group Capt. Kavanagh—I do not believe so, no.

Mr HATTON—I refer to cost effectiveness. Paragraph 21 deals with the upgrade of the operational technical facility for maritime operations. The argument has previously been put forward that there would be fighter and strike aircraft stationed here and provision has been made for maritime patrol deployments. When you were doing the planning for this, why were the deployed fighter and strike aircraft facilities not left in the place they are in now and a separate maritime facility created?

Wing Cmdr Morgan—As part of our development of the layout of the base, and in conjunction with the master planning, we conducted a technical site selection board. It looks in detail at all the relationships of each of the activities. One issue was that we could have had it either way: the maritime in the centre, and the fighter strike at the other end.

As to the financial development of the base, there is really no difference in cost. In the short term, we intend to use three of the existing five aprons as interim OLAs to support maritime aircraft. That dictated that we would develop the existing flight line building as the interim maritime OPTECH facility, and the four new OLAs for the maritime aircraft fitted nicely into that area. Functionally, that worked well. Likewise, it worked well functionally to have the fighter operations central on the base.

In conjunction with that, we still have the quick reaction alert facilities, which are now at the southern end. That interrelates with the fighter strike OLAs, which are now central because those aircraft will be closer to and better able to service that facility.

We are trying to minimise the costs that we will have for the upgrade of the interim flight line facility. That is part of the detail of the design process—to make sure that we do get value for money. Some time in the future, we may wish to have an aboveground earth-covered building—perhaps in stage two or three—which is what we have for the fighter strike.

Mr HATTON—You are always stuck with the problem of either having ad hoc development, and then having to undo some of that ad hoc development, or having development which may seem to be ad hoc but, because the demands on the base have changed, you have to do a fairly big re-jig of your thinking. How recent is the master plan? Are the planning considerations that have gone into here fed directly into this new master plan?

Air Cdre Kennedy—As a preface, I think it is important to note that the current horizontal services were constructed in the early 1970s. The defence explosive ordnance regulations did not come into vogue until 1980, I think. Those aprons—the five at the northern end—were found not to accord with those explosive regulations. But we see great benefit in getting some utility out of them in support of the additional four OLAs for the P3s and the transport aircraft. The OPTECH facility that is adjacent to them will provide some additional life for a few years to come, so we want to get the greatest utility that we can out of that. Certainly in the longer term we will want to replace that with a state-of-the-art facility similar to the one we are putting in for the fighter strike facilities. It is certainly not being seen as an ad hoc approach.

In terms of the other part of your question, the zone plan has been completed and endorsed. We hope to finalise the master plan within the next few months. One of the reasons it has not been finalised to date is that the design concepts that are ongoing at the moment will give us the fine detail to be able to lock this down and get a higher authority within the department to sign up to it.

Mr HATTON—The OPTECH facility is not totally protected in terms of the roof line in front of it. If a blast is directly lateral it is fine because it is covered but, if you had a blast that went right through the top, it would actually shear the roof off. There was a comment on the way around that to bunker the facility or do it in a safe way would cost too much at this time. Are you looking to get a longer life out of it and then finally replace it?

Air Cdre Kennedy—It certainly would not be cost effective to do that. In fact, we did a similar exercise at Tindal in reusing an existing facility. We noted in that study that it was not cost effective to do it. I want to be clear, Mr Hatton, that there is nothing unsafe for the occupants of that particular facility. It is just that in the way we design those today we design them for greater purpose than just protection from the adjacent apron. We have got to think about the whole design strategy for these facilities. But it is certainly not unsafe for those people who are in that facility.

Wing Cmdr Morgan—I would like to add to that. During our design development, structural engineers looked at that based on the aircraft that are going to be parked on the interim apron. We are looking at any small amounts of work that need to be done to those buildings. In fact, they have been assessed as quite strong and able to meet most of the need in their current form. So there is not a great deal of structural upgrade

required as you would expect, being in a cyclone area as well.

CHAIRMAN—In the proposal you have included an above-ground facility as well to complement what is existing. That is my understanding of it.

Wing Cmdr Morgan—The aboveground earth-covered facility is strictly in support of the fighter strike OLAs.

CHAIRMAN—So it cannot pick up the role of the existing OPTECH facility if it were damaged?

Air Cdre Kennedy—The answer is, yes, it probably could, but we see the need for two independent OPTECH facilities. The other important part—getting back to what I said about people not being at risk—is the type of activities that are going to be undertaken on those three aprons. In other words, the explosive quantity of ordnance on that is much lower than on the other four new ones.

Mr HATTON—In the submissions that we previously had in regard to both RAAF Base Darwin and RAAF Base Tindal, the functions of the bases were spelled out in quite a degree of detail. But here, in regard to Learmonth, it is described on paragraph 10 in relatively general terms. There is no mention made of visiting foreign air forces and support elements. Is there any particular reason that there was much greater detail in the submissions in relation to Tindal and Darwin and it is more general here?

Air Cdre Kennedy—Darwin is used much more often. One of the aspects is that we already have a home base there—an air base wing. It is activated some 10 months of the year by a whole host of exercises. That is one reason there would be quite a deal of detail to convey to the committee the exact role and purpose of that base. I do not know whether Group Captain Kavanagh would like to add to that.

Senator MURPHY—We received Forte Airport Management's submission. I assume you would have seen their submission. It contains some matters I would like to raise. I was wondering whether you would mind putting a statement on the public record with respect to some of the issues they raise. On page 2 they raise—it is something we discussed this morning; I think you pointed it out in part earlier—the pavement strength of the runway. They say in subsection 3 of their submission:

This reduction in pavement strength has altered the civil usability equation to the extent that Learmonth's runway is now below strength for most aircraft seeking to use it above B737 in size.

We seek assurances that the proposed AC overlay will extend up to the civil lease property boundary and encompass Taxiway W but it will also be of sufficient structural adequacy to reinstate the pavement strength to at least that level of the previously published strength rating.

Would you like to put some comment on the record about that?

Air Cdre Kennedy—I did mention it before in terms of the PCN rating. The overlay will not bring that up to 50. It will probably bring it up to around 43. But I emphasised earlier that the strength of the pavement is unchanged. It is still the same pavement. It will still perform exactly the same way as it had in the past. The pavement has been very effective. We have not had any change in shape or structural damage to the pavement in terms of the loadings it has been under for the last 24 to 25 years, but we will not be bringing it up to PCN 50. It was never PCN 50. A document said PCN 50, but it was never PCN 50.

Senator MURPHY—I assume that there must be some domestic requirement or a requirement on the part of the airfield to have some rating that goes to a certain level before aircraft can actually land there. Is that right?

Air Cdre Kennedy—If the aircraft that is going to use it exceeds the rating of the airfield, then a concession must be sought—in other words, permission for that operation to take place. We would not envisage unnecessary restriction on the operators in terms of our experience of how the airfield is used.

Senator MURPHY—I am just curious about the point that they raise about its having reduced the domestic usability. I guess that is a question we will have to ask them, but I am just trying to understand it from Defence's point of view.

Air Cdre Kennedy—Now that they have read our response they will probably have something to add, and we would be only too happy to respond to that later.

Senator MURPHY—On page 3 of their submission they talk about the assurances about the airfield lighting being extended to taxiway W. Was that something that we addressed this morning? Where is taxiway W located? Is that the domestic taxiway?

Air Cdre Kennedy—Taxiway W is the taxiway that leads to the civil apron—that small, stubbed taxiway. The issue in the Shire of Exmouth's submission is that that taxiway lies outside their lease, but that taxiway was built to service that apron. It has no direct application to any of the military activities on the airfield. It is there primarily, totally, to service that particular apron. Therefore, we in Defence see that the management responsibility for maintaining that taxiway in terms of both the pavement and the lighting rests with the local authority.

CHAIRMAN—I have one other question. As you are aware, Air Commodore, the committee has recently been involved in an infinitely more controversial hearing—relatively unrelated, I must concede—over Kingsford Smith airport and extensions there to the tune of \$350 million to accommodate traffic for the Olympic Games. In that case, the work could reasonably have purported to be of a revenue producing character, to quote from the committee's reference. As such, we are expected to look at the level of revenue the work could reasonably produce. In fact, it was expected that the additional work would

pay for itself.

Is it possible, given the emphasis on tourism that has been indicated to us—certainly this morning and, prior to that, yesterday evening—that this work may ultimately be of a revenue producing character too?

Air Cdre Kennedy—I would think not. The only component of the work that will be utilised by tourists or operators servicing tourists will be the maintenance of the airfield pavements, which is an ongoing requirement anyway. It is something that we would expect would need to be done.

CHAIRMAN—But you are already compensated in some way for the civilian use of the pavement, aren't you?

Air Cdre Kennedy—Not that I am aware. There is a lease arrangement between Defence and the Shire of Exmouth concerning that particular lease that they hold and also the use of the aircraft pavements.

CHAIRMAN—There is no landing fee involved for people who—

Air Cdre Kennedy—To my understanding, revenue goes to the local authority in terms of domestic landing fees.

CHAIRMAN—If there are no other questions, I thank the representatives of the Department of Defence for appearing. They will be recalled later in the afternoon.

[2.38 p.m.]

BATHGATE, Mr Douglas George, Former Councillor/President, Shire of Exmouth, PO Box 21, Exmouth, Western Australia 6707

FORTE, Mr Andrew Jeffrey, Airport Consultant, Shire of Exmouth, PO Box 21, Exmouth, Western Australia 6707

GRAHAM, Mr Kerry James, Chief Executive Officer, Shire of Exmouth, PO Box 21, Exmouth, Western Australia 6707

CHAIRMAN—I welcome the representatives of the Shire of Exmouth. The committee has received a submission from Forte Airport Management on behalf of the Shire of Exmouth, dated 12 June 1997. Do you wish to propose any amendment?

Mr Forte—No, we do not wish to propose any amendment, but we do have a supplementary fax sheet, which we pass to the secretary now. With your permission, we would like to give an oral visitation of that for the benefit of others. It acts as a summary.

CHAIRMAN—That is excellent, Mr Forte. I will allow you to do that in a moment. Before you do so, I indicate to the committee that it is proposed that the submission, already received, the Department of Defence response, already received, and the summary submission just handed to the secretary, be received, taken as read and incorporated in the transcript of evidence. I realise it is rather hasty, but if there are no objections, I will allow that course to be followed. Since there is no objection, it is so ordered.

The documents read as follows—

CHAIRMAN—Representatives, I now invite you to make a short statement or, as Mr Forte has indicated, a brief summary of the evidence we have before we proceed to questions.

Mr Forte—There are two prime elements of the shire's submission: electrical and pavement. Initially, we will deal with electrical.

The lease made to the Shire of Exmouth on 8 March, 1993 encompasses substation 4. Substation 4 sits on the HV ring main and feeds the lessee's substation 5, which is a 200 KVA transformer. This is attachment A. Substation 4 sits in the future potential area for expansion of the apron. Substation 5 lies within the building area itself in this proximity there.

CHAIRMAN—For the committee's information, substation 5 is proposed for removal, isn't it?

Mr Forte—Substation 5 is proposed for relocation on the basis that it conflicts with a project that the shire has in terms of upgrade of their civil facilities. Substation 4 is not the lessee's, and we refer you to clause 37.1 of the lease, which states:

The lessor shall be allowed access to and use of its electrical sub-station and fuelling facility at all times.

The Shire of Exmouth requests that the lessor consider relocation of substation 4 to the outside of the lessee's land as a part of rationalisation works to the HV ring main.

The Shire of Exmouth have taken on the civil lease with services supplied to the land and under the 'interpretation' of the lease, which is found in the foreword of the lease document. The 'lessor' is the Commonwealth of Australia. The 'lessee' is the Shire of Exmouth. 'Civil facilities' pertain to all facilities situated on the land. 'Land' means that described at annexure A or attachment 1, which is our overhead. 'Lessor's land' means the lessor's land adjoining the land.

Loss of power supply was mooted by Defence's project managers about four weeks ago. Prior to this, no such inference has ever been made. This prompted the Shire of Exmouth to seek assurances of continuity of supply through this PWC hearing. Defence's response to the PWC after the shire sought clarification to the issue states, in part, that, 'as such, Defence cannot offer continual supply'. That is in paragraph 3 of correspondence of the Director-General of the air force on 24 June.

The Shire of Exmouth hold the view that this matter constitutes a breach of legal agreement and clearly is outside of the intent of the lease. With respect to airfield lighting, the Shire of Exmouth again wishes to refer the PWC to the lease, in particular clauses 16.1 and 16.2, which pertain to repair of the land and civil facilities.

I will pause there for one moment and ask whether you have a copy of the lease

that we make reference to.

CHAIRMAN—The assistant secretary has indicated that he has not received a copy.

Mr Forte—The second subject matter of concern to the Shire of Exmouth is the airfield pavements, and I will briefly run through the issues there. Taxiway W does not belong to the lessee. The Shire of Exmouth wishes to refer the PWC to the lease with respect to responsibilities for repair and maintenance—clauses 16.1 and 16.2 of the lease.

The Shire of Exmouth, in response to Defence's invitation, wishes to have Taxiway W and the asphalt pavements contained within the lessee's land overlaid in conjunction with the rehabilitation of the 1970s airfield pavements. The Shire of Exmouth accepts financial responsibility for rehabilitation of pavements within the lessee's land. Down rating of the airfield's pavement strength presents serious implications to civil aviation users, particularly when it occurs without consultation.

The PCN:ACN system of pavement strength reporting has been the International Civil Aviation Organisation's approved standard since 1981. It is the pilot's responsibility, not that of the Shire of Exmouth, to determine the physical suitability or otherwise of the runway to operate and that infers operate within the rated value of the pavement.

The recent PCN reduction from 53 to 39 has reduced the allowable operating mass of a Boeing 747-400 series aircraft from 370 tonnes to 280 tonnes or effective 90 tonnes. Attachment 2 refers you to the ACN and the consequence of a variation of that ACN for payload or operating mass of the aircraft in question. The rating at 53 here indicates a mass of 370 tonnes—with a PCN of 39, 280 tonnes—which is pretty well a full fuel load for a 747. Using PCN calculations of 50 millimetre asphalt overlay to the airfield payments would lift the PCN rating to 59.7. The Shire of Exmouth is pleased that Defence is prepared to discuss this important matter with them with the aim of restoring the previously published PCN rating.

CHAIRMAN—Thank you. If there is no other evidence that the shire or its consultants wish to present, I will proceed to questions. I am a little confused about the question of power supply. It strikes me, as a federal member of parliament at least partially responsible for the budget, that I am not too excited about Defence's capacity to generate and sell power. I prefer to leave that to power authorities. Why would I want them to generate and supply power to a civilian air terminal?

Mr Forte—We have in this instance a historical situation whereby, in 1993, the Shire of Exmouth accepted a lease over the civil facilities area to operate for civil aircraft. The circumstances put to them at that time were that they should be a metered consumer of power and water. It just so happens that the power and the water is delivered from the RAAF side of things. It is not unusual, in my experience, that in remote locations there is

only one power authority and only one water authority and mutual arrangements of appropriate costs are invoked. Indeed, they may be higher than the normal Western Power charges for a city area. These arrangements are mutually accepted as opposed to duplication of services.

CHAIRMAN—I may not be well enough briefed on this. Don't we already have an arrangement where the Western Power overhead cabling goes from Exmouth to Learmonth and is part of the Learmonth power supply, with the Learmonth RAAF generation only kicking in when demand or intermittent supply makes it necessary?

Mr Forte—That is as I understand it. Yes, there is one central feed to RAAF Base Learmonth. It is redistributed from there to other consumers. The civil facility operators also distribute to other subtenants on their site using that power. In addition, there is a stand-by generating capacity referred to as the central powerhouse. This upgrading proposal is for a 2MVA site or 2000 kVA of power generating capacity.

The question and concern of the shire is that it has been alluded to that, once this supplementary power capacity is peaked by major activities occurring at the base, then some load shedding would be necessary and the civil area is a target for power shedding.

CHAIRMAN—Leaving the civil area with no choice but to either accept that or install an emergency generator of its own; is that the sort of option?

Mr Forte—Yes, that would be our understanding. The issue here is one of significant implications both cost and planning. It has come upon us at rather short notice. Further, we hold the view that it is a significant airport for civil aviation operations, being an alternative to Perth, and that stand-by power is an essential component of our business.

CHAIRMAN—I presume from RAAF's point of view—and we can ask them when they return—that the generation of emergency power would certainly ensure that the runways were lit so that anyone could put an aircraft down. What it may not ensure is that civilian facilities—loos and what have you—are similarly lit. Is that what you are alluding to?

Mr Forte—Mr Chairman, that is correct. However, unfortunately for the civil managers of the land and the civil facilities, they have tenants—such as Airservices Australia with navigation aids—distributed from substation No. 5. Indeed, the Bureau of Meteorology is also a submetered consumer of the power distributed by the Shire of Exmouth. There is a number of parties that benefit from the power.

CHAIRMAN—There just seems to me to be a certain irony about this because, surely under the present arrangements, Learmonth air force base is a major consumer of Western Power's supply and, as such, one of its major customers. So I am presuming Western Power is saying, 'We are very pleased you are there and are happy to continue to

have you there.' The question really is whether RAAF's substation, which is there for emergencies, should also supply the civilian conveniences.

Mr Forte—Yes, I think the powerhouse is there for the provision of emergency features. In that capacity, I guess, the shire is in effect consuming Western Power's power. It is distributed through the network back to the civil area. There may be some opportunity to ensure that this continuity of power is possible. However, these are the sorts of options that would need to be evaluated in the overall scheme of the project that Defence have at this point in time.

CHAIRMAN—Do you consider that it would be a good idea—and the economic rationalist in me says it would be—if there were a meter that said, 'In emergency situations, you are using Defence's power at a cost'? Do you think that would be an equitable way to go?

Mr Forte—I would have thought so, yes.

Mr HOLLIS—The only question I have is a question I asked before. I was advised to wait until the shire came on to ask it again. I wanted to ask how often the strip has been used as a backup for Perth. Has it ever been used?

Mr Graham—Yes, in my experience it has been used at least probably once or twice. Up to five times a year it has been used.

Mr HOLLIS—So it can take any size plane? It can take 747s and planes like that?

Mr Graham—Yes, we have had 747s on the ground. We had a 737 with a bomb scare on the ground a couple of years ago.

Mr HOLLIS—And why is it used? If the weather is bad in Perth or something like that?

Mr Graham—It is usually when Perth is fogged out.

Mr Bathgate—We did have a freighter down about two weeks ago for that purpose. It was fogged out in Perth so it landed here.

Mr HATTON—In your supplementary submission, at point nine, I am guessing that the phrasing is a bit around the other way. You said:
The Shire of Exmouth are pleased that Defence is prepared to discuss this important matter with them with the aim of restoring the previously published PCN rating.
My guess is that is your aim, rather than Defence's. Defence is just happy to discuss. Would that be your understanding?

Mr Forte—Yes. It is quite correct to say that it is our aim to have the PCN rating restored. We note, through Air Commodore Kennedy's response, that dialogue has commenced—or they are prepared to entertain dialogue—to see its reinstatement. And we are pleased with that.

Mr HATTON—My understanding—from the evidence he has given and also from the materials that we have been provided with relative to their response—is that they may discuss it, but there is a distinct disagreement in terms of those ratings. He made the point again today that whereas it was downgraded to 39—that is to bring this airport into line with all of the other Defence establishments—it would make no difference to actual use of the airport in terms of the pavement. Because the pavement has not changed; the rating has.

My guess is that your concern—and it goes to the last graph that you put up—is that with a lower nominal rating you would be able to get fewer civil aircraft in here and those aircraft would be less heavily loaded. Is that correct?

Mr Forte—That is correct. The PCN rating is a figure which equates to the aircraft. PCN stands for pavement classification number; it is the rated number of the pavement. It equates to the aircraft classification number and hence the ACN/PCN system. The aircraft classification number must lie below the published PCN rating for the pilot to have clear authority to land and use those pavements.

Should the aircraft classification number exceed the pavement classification number, it is incumbent upon civil users to seek permission to utilise the pavements. So you have an operational control by the published rating. A concession, as Defence indicate, would be forthcoming and concessions typically are forthcoming by civil operators because flexible pavements can inherently sustain a pavement overload up to a factor of two, and this extra load of the pavements needs to be monitored in terms of frequency and other factors.

What we have seen is a revised or down-rated value which is now published, and civil users—albeit for alternate purposes—such as 747s en route to Perth must now seek permission to operate because, as I indicated in the other overhead, their payload is down from 380 tonnes to 260 or 270 tonnes on that ACN.

Mr HATTON—That is on that one single instance, but I understand there are 33 concessions a year? So that if you used the concessions up, using 747-100s which were heavily laden, you would only get a certain number of aircraft in. But if you have got BAe146s coming in—which are much lighter and less heavily loaded—you could get a lot more aircraft into the place. So it is a question of how you juggle within that concession.

Are you saying that the down-rating means that there will be fewer concessions or that you will be able to bring in fewer heavily-laden aircraft? Isn't that the situation now?

Because Defence says:

No reduction in those figures has been made and therefore the Shire's planning base should not have changed.

Because the pavement has not changed and their planning base should not have changed.

The change in published PCN may affect the maximum weight for continuous operations of some aircraft, as the threshold at which a concession is required to be sought from Defence is now lower.

Do you see this as an economic detriment to the shire in their use of this as a civil aircraft facility?

Mr Forte—We hope not. I guess the real dilemma for the civil people is that the mechanism that Defence utilise for determination of concessions is different to how a civil operator would assess the utilisation of the pavements above the rated value. We accept and we have received correspondence from them indicating the frequency of various types of aircraft. From a civil user's perspective it is far more black and white. You have the published rating; you have the graphs, which I indicated on the overhead; and you do a quick assessment of the load. If you are in excess of that loading for that aircraft type, you apply for a concession. The civil user will typically permit utilisation up to a factor of two overload. A two overload possibly equates to something like about a dozen movements.

The overload is the actual ACN rating. For instance, if it is published at 39 and an aircraft wants to come in and its rating is 52, it is 52 over 39 and you would get a factor of 1.2 or something like that. From another graph, which I can bring to light if you need this information, you go up a bar scale and it says that that equates to four movements, equivalent to the one because of the overload of the pavement. It is a tracking exercise; the civil users will typically log all their overload and pavement concessions issued, and it forms a part of their pavement management system.

We have a civil approach and we have the Defence approach, which is one of a predetermined allocation for various aircraft types and various users. I do not see that as any grave matter. I believe that we can work together and understand how the systems of pavement concession and pavement management occur. But what is of prime concern is the fact that the entry level upon which an aircraft operator must apply to operate has been lowered. We would seek to see it lifted, given the significance of the airport and the occasional larger aircraft type that does operate.

The other important element is the fact that we have determined in the order of a 59 PCN rating through the addition of 50mm of asphalt, because asphalt can be considered as a structural layer and is typically factored as at twice the value of a standard base course material in its construction or strength capability. Applying that extra factor of strength would see a radical, almost up to 50 per cent, strength increase in the pavement, from our determinations.

Mr HATTON—Defence would pay the cost of that?

Mr Forte—Defence have a maintenance overlay. They are referring to it as a maintenance. They have no structural damage, to my knowledge, on the actual pavements. They have been performing adequately. It is a recurrent maintenance. The fact that they have chosen 50mm versus, say, 35mm, which would be an order of consideration that we would accept for our apron area, is their determination. It is just a factor of applying that 50mm that we have determined, in effect, has a structural benefit.

Mr HATTON—How many 747s land here in a year?

Mr Forte—Very few. Kerry indicated—

Mr Graham—Maybe one or two 747s.

Mr HATTON—So why did you use a 747B as your example, rather than a BAe146?

Mr Forte—Because of the international alternate status for Perth. Outside of Learmonth, Adelaide airport is the only other international alternate for Perth.

Mr HATTON—Are you looking to the future in using that example—that you may have more international usage?

Mr Forte—The shire of Exmouth has aspirations for an increase of aircraft traffic and would like to see their market grow, initially in a charter sense and possibly in an aircraft size which would be more akin to a Boeing 737, perhaps A310. The wide-bodied aircraft, Boeing 767 and Boeing 747, we believe are a long way off, mainly because the passenger numbers associated with flights of that order are difficult to accommodate in town until we have the accommodation facilities here. So we have got to look to the order of aircraft size that are operating into Perth. Hence, the use of that particular example, the 747. Regardless of whether we choose an A300 or an A310 aircraft, the fact that the pavement classification number has been reduced will have an impact on their operating weight without prior permission.

Mr HATTON—Except that where you have got 33 concessions now in a year, because they are smaller aircraft with smaller loaded weight, I would guess that they have been able to be accommodated quite readily—firstly, with the existing PCN and, secondly, that could also come into the PCN of 39, which would lift to about 43 when the pavement is being done anyway.

Mr Forte—It is a complex group of factors there. You are probably right, there can be an order of accommodation. The salient point is that it is that entry point that is all important for civil users to be more comfortable and to have more access to the aerodrome and the other element that we are certain about is that the 50 ml asphalt overlay is a structural benefit to the pavements to the order of being able to rectify what was

previously a 50 PCN rating.

Mr HATTON—Well, you are saying that, if the current 50 were kept, when you put the 50 ml overlay on, it will take it up to 59?

Mr Forte—That order of thing.

Mr HATTON—Right, whereas at the moment they are taking it down to 39, and it will come up to 43?

Mr Forte—No; I will say it again. From the 39 PCN rating adding 50 mm of asphalt will lift you to 59.

Mr HATTON—To 59, but Defence's calculation is that it will lift it to 43.

Mr Forte—Correct.

Mr HATTON—So whether the twain will meet with that, we will have to see when Defence comes back. Thank you.

Senator MURPHY—I want to follow up some questions about this PCN. What is the PCN rating required for the aircraft that you would like to see land here?

Mr Forte—A Boeing 737, which would probably be an aircraft type that we would see on a regular basis here, is around about 39. So its entry level is pretty well spot on. I will just confirm it more precisely for you. A Boeing 737 400 series has an ACN at maximum take off mass of 35. An A310 has an ACN at maximum take off mass of 36. Perhaps a 767 would be a useful comparator: it has an ACN rating of 48. So any operations of a 767 would require prior permission.

Senator MURPHY—Who actually determines the PCN?

Mr Forte—The lessor in this particular case because they are the owners of the pavements. The shire is the lessee of a small portion of land.

Senator MURPHY—Who determines it in the case of domestic airfields? Is it the FAC?

Mr Forte—The aerodrome operator is responsible for its own publication of pavement strength rating. So the FAC would do it for their own airports.

Senator MURPHY—But would there not be some measure against which they would have to make that judgment? Is there no international standard? There are normally international standards for everything.

Mr Forte—If I can, I will just put on an overhead for you.

Overheads were then shown

Mr Forte—The PCN and ACN system is calculated using the equation that I have put up here— T^2 over 878 divided by CBR minus 12.5. This comes straight from a Department of Transport and the Commonwealth Department of Transport pavement concession assessment form—a booklet. It comes from the Department of Transport and Communications aerodrome pavement concession system, *An explanation for aerodrome operators*, published June 1992. It is on issue to all civil operators for the determination of the rating of their pavements where T is the pavement thickness in centimetres and CBR is the strength of the subgrade. Through the publications, we note the published pavement rating for Learmonth. We have an A grade subgrade which is greater than 15 CBR. Inserting 15 CBR and deducing that equation, if we calculate thickness of pavement for the given PCN, which is quite possible, and then add a factor for the increased pavement depth, we can then recalculate the PCN.

Senator MURPHY—Have you done a calculation?

Mr Forte—Yes, I have.

Senator MURPHY—What does that say?

Mr Forte—It comes out at 59.

Senator MURPHY—As a civil user of the runway, why could you not seek to get the FAC, for instance, as another owner of major domestic airports or runways around this country, to give you some sort of certificate that rates the airport differently to how the existing owner has rated it? Because they are two different uses, aren't they?

Mr Forte—Independent parties are often invited to provide pavement ratings. I have done a number myself for various civil airport operators around. There is that opportunity to have an independent assessor. However, what we have in this situation is a joint user airport situation where the Shire of Exmouth is responsible for civil aviation management and the Department of Defence—or RAAF base personnel—have the responsibility for all military operations. So they are the ones that have entered the pavement rating in their civil publications.

The publication material is called the *Enroute Supplement Australia*. The *Enroute Supplement Australia* is a joint RAAF-civil user publication. Advice to all civil users can be found in here. If we look under Learmonth, we find that the movement area has a pavement classification rating. It says movement area 18/36. It has B747 PCN 39/F/A/1750/T—F being for flexible, A being for A-grade subgrade, oblique 1750 being for tyre pressure and T for technical rating. A pilot will refer to this guideline for

determination of the suitability or otherwise of those pavements for operating on. If they are under that stipulated rated value, they will apply for a concession to operate.

Senator MURPHY—This is all technical stuff of which I understand very little. I do not know whether the subsurface material is adequate, inadequate or average but, if all the other equations apply to other runways around that are, in this instance, FAC runways—because they are the only ones in this country, as far as I am aware, that operate runways that have the capacity for planes that we are talking about—there is an odd sort of arrangement it would seem to me. Why would the ratings at those airstrips be different? Afterwards, I will again ask Defence the question about how they have come to a different conclusion, but you are saying that, in your view—and I do not know whether you have got any independent assessment done of the Learmonth runway—it would come out with a different PCN rating to that currently applied to it by Defence. I also understand that Defence, by virtue of being the owner, is primarily responsible for the determination of the PCN rating. I do not know whether there is justification for it, but they could say it was 20 if they felt like it, for whatever reason. For the purposes of allowing domestic users, there must be a way through, if the very nature of the runway meets the requirement. Surely there must be a way through that?

Mr Forte—Yes, I think it is called negotiations. When you indicated that—

Senator MURPHY—I do not want to start the negotiations here but I would think that maybe there ought to be some consideration given to whether or not the other Commonwealth airport owner-operator may become involved and a solution to the matter sought in that respect.

Mr Forte—Thank you very much, it sounds an admirable idea to take a mediator approach to it. Just to clarify the point that you raised about why pavement ratings were different, it all pertains to the strength of the subgrade and the amount of pavement that overlies it. So all aerodromes will have a different rating, by and large; they are not all built the same.

Senator MURPHY—I understand at least that much. With regard to the question of taxiway W, I think you read out from the lease agreement, 16.1, about responsibility and maintenance. Could you tell me exactly what that clause says?

Mr Forte—Clause 16.1 says:

In addition to its obligation under clause 13.2 the Lessee shall maintain and keep the Land and the Civil Facilities in good repair and condition (which shall include the carrying out of structural repairs where necessary). The Lessee shall be entitled to access to the Lessor's Land so as to be able to carry out maintenance on the Civil Facilities.

Clause 16.2 says:

If the Lessee fails to comply with clause 16.1 the Lessor may enter the Land and carry out such repair work as it considers reasonably necessary or may carry out such repair of the Civil Facilities as it considers reasonably necessary and the Lessee shall reimburse the Lessor for all reasonable costs incurred by the Lessor in carrying out such repair work.

Senator MURPHY—Is taxiway W in need of repair at the moment?

Mr Forte—Taxiway W is vintage pavement, a la 1970s construction. The Shire of Exmouth took over the civil lease four years ago and its status quo has remained. Structurally it is sound: probably as sound as the balance of the pavements on the airfield. But the asphalt surface—the wearing course—is tired, and fretting of the asphalt is occurring where fines are now being lost. So I would say it would benefit from an overlay. However, from a civil perspective, the civil users would be quite happy with the 35 millimetre overlay rather than the 50 millimetre overlay.

Senator MURPHY—But essentially your argument is that if Defence has determined that the rest of the pavement is in need of upgrade because of wear and tear over a period of time then likewise does that part of the pavement. Your counter-argument is that, although they do not necessarily see a need to upgrade, if there is a need to upgrade that part, then there is a need to upgrade this part. Is that right? Is that what you are arguing?

Mr Forte—Yes.

Senator MURPHY—When did the shire start planning its international airport development?

Mr Forte—In April 1995 a development plan was produced. A project manager's report was produced in December 1996 and full design documentation to attend the stage occurred at about the beginning of 1997—six months ago. We have been sitting on a fully completed design and documented package for a terminal building and apron extension. So we are looking at two years.

Senator MURPHY—When was the shire first made aware of whether or not Defence was going to make any improvement to the facility?

Mr Graham—In about March 1997 we were briefed and it was before then. It was late last year—December, I think.

Senator MURPHY—So the shire had proceeded to look at the opportunity to build an international airport on the basis of the existing rating, without any knowledge of whether or not there would be an upgrade even to the runway pavement?

Mr Forte—I think that it is fair enough to say that it has rested there for eternity—this PCN rating of 53, as I recall—and it was based on a 747's capability to

operate.

Senator MURPHY—But my question is more that you have got a RAAF air base there, which may or may not have been upgraded. The shire uses it for domestic purposes. You plan to have an international air terminal that would lead at some point to a need for upgrading the pavement. What would have happened if Defence had not planned to upgrade or resurface the pavement, full stop?

Mr Forte—The circumstances for the shire, as occupier of the civil facilities area, are such that it is responsible for the management of that site and for organising safe civil operations. The shire, or the lessee, pays the lessor an annual fee for use of that land. It pays a fixed sum of the order of \$5,000 per annum plus, I believe, 5 per cent of gross turnover on an annual basis to the rent so it is a revenue producer. The revenue that it derives is to allow it to do other things in terms of growing its business, but it also contributes back to the lessor, the Commonwealth, for the benefit of using that land.

The facilities that are built on the lessee's land belong to the Commonwealth—even though the shire has rights of usage, those assets are the Commonwealth's assets. So, by improving the asset base, it is indeed good for the Commonwealth; there is a revenue structure from it. The shire sees its contribution as being made through these other forms and through the contractual deal that was struck four years ago. Matters outside of its land are not a matter for it.

Senator MURPHY—In so far as Defence's proposal for the shire, if it so seeks, to have the pavement upgraded to a PCN rating, which at this time seems to be a bit unresolved, what is the capacity of the shire to meet those costs?

Mr Forte—There is no capacity for the shire to meet those costs. Indeed, we would dispute the need for ever having reduced the pavement rating.

Senator MURPHY—I understand that and, as I said, I do not think the matter of the PCN rating is resolved. It has been resolved on Defence's part by their putting a rating on it.

I do not know whether I can ask questions about the shire's funding of its international airport. Are you happy to answer questions about that? I noted somewhere that the cost was about \$9.2 million, and that it is to be funded out of the sale of the houses that were former US base houses. I also understand that there is some funding for this marina development being derived from that. Are you able to indicate how much money was derived from the sale of those houses? Was it more than the \$9.2 million?

Mr Graham—In gross figures, it was about \$13 million, of which 22 per cent went back to the United States. They got 22 per cent of it. So, in round figures, it was about \$10 million. Of that \$10 million, about \$6 million has been committed already, and

there is \$4 million left, which the Deputy Premier has approved for use on this airport facility. So, out of the \$9.1 or \$9.2 million, we have got \$4 million virtually in cash. As for the balance of it, the \$5.1 million, a submission has recently been made to cabinet for the state government to fund the balance. So although we are ready to go to tender, as Andrew said earlier, we are still chasing the rest of the money.

Senator MURPHY—What happens if you do not get that?

Mr Graham—We do not build the terminal.

Senator MURPHY—Does that then assist the resolution of some of the other matters such as debating about what the pavement rating ought to be?

Mr Graham—We would like to see operators not applying for concessions if they do not have to—and I think that is what the argument is all about. If there is no need to apply for a concession, we do not see why they should be applying for concessions. But we have had international flights into this place, but they have been of 737 size aircraft and that means that they would only just comply with the new rating.

Senator MURPHY—When do you expect to get some answer back from the Western Australian government on the \$5 million?

Mr Bathgate—A taskforce has been formed to proceed now to cabinet with a detailed statement regarding the acquisition of the \$5.2 million in addition to the \$4 million that is already there. I think that it is fair to say that the strategy that is being used is one where we are prepared to put up \$4 million and then we are asking the minister for transport to find the other \$5-odd million.

We have had commitments from the state government at different levels, albeit not in writing, but they are certainly very supportive of the process. They have indicated that they will support our project as much as they can. So much so that we have had the Premier's personal involvement in the design of the building. We are confident that, within the government's ability to find the money, it will go ahead. The key to the whole thing is the \$4 million that we have in trust which is, in fact, controlled by the Deputy Premier who is advised by a committee on which the shire has two representatives.

Senator MURPHY—But you have got no idea of the timing?

Mr Bathgate—The timing, yes. We have, in fact, put a deadline on the process. We wish, if possible, to call tenders in January 1998. Originally, it was thought that it might be wise to go out concurrently with the RAAF called tenders. But since then, it appears to be a better strategy to have contractors in place and then for us to go out for our construction tenders at that time. Contractors would be on site and should be able to put a favourable tender in and not have to relocate, and things of that kind.

CHAIRMAN—With great respect, Mr Bathgate, may it not be that the key to the whole thing is the existence, 35 kilometres south of Exmouth, of a 10,000-foot airstrip called Learmonth? If that were not there, the proposal to build an international facility here would be a dream. In fact, every councillor from the Shire of Exmouth must surely lay out his prayer mat in the direction of Learmonth base every morning and shout the doxology.

Mr Bathgate—Yes. I think that there is some truth in what you say. It is very difficult when we try to forward plan for all these things. Undoubtedly, underlying the strategy which I tried to allude to a little in the GDC submission, is that the presence of this facility there has been a key in the philosophy of economic development and the strategies employed throughout the Gascoyne region. We have made no secret of the fact that there is a magnificent facility sitting there, and we were very thrilled when we were informed by RAAF of their intention to do some upgrade on it.

But prior to that, we—I suppose, a bit naively—considered the thing invincible and that it would never deteriorate. Its usage has not been all that high over the years, but it has certainly formed a very important part of the Exmouth culture in the past when it was really a Defence establishment and a Defence town. Since the disappearance of the American component, we have been forced to identify other areas of economic development. The consultants that we used, using federal grants at the transition time, very clearly identified Learmonth airport as playing an essential role in tourism, and tourism had the greatest potential for economic development.

CHAIRMAN—I cut across Senator Murphy. I did not want to extend much longer the conversation on pavement strength because I think we have given that a fair airing.

Senator MURPHY—I am only interested in the funding for the thing and that is why I want to go to the \$9.2 million. For example, if you had to put in an emergency power supply for lighting, and the power system would probably be an essential component in so far as making this a user friendly airport from a civil point of view, is there any contingency component in the \$9.2 million to meet additional costs? Has there been any costing done on those sorts of things?

Mr Graham—The \$9.2 million is basically only to do the existing pavement and build the new terminal and internal roads. Nothing has been allowed for on the RAAF side.

Senator MURPHY—In the submission from the Gascoyne Development Commission, it says on page 3:

Singapore Airlines conducted successful air charter visits to the region in 1994 and 1995 . . .

What size planes were they and—

CHAIRMAN—Can I just interrupt. We are getting a bit low on Hansard tape and we will have to stop, but we will have the Gascoyne Development Commission re-appearing later this afternoon, Senator Murphy.

Senator MURPHY—Okay, I will ask that question then.

Mr HATTON—Let me say that there have been lots of interesting and positive conversations with the state government. I think that it would be wise to get it in writing, and preferably in blood, from any government!

CHAIRMAN—I recognise that Mr Bathgate will be re-appearing. If Mr Graham and Mr Forte want to make any comments, I certainly would not want to stop them from doing so. I also want to give Hansard the opportunity to make a change to the tape.

Mr Forte—We have jointly agreed on a summary and I will read that to you. The Shire of Exmouth, as lessee, maintains that it is a good tenant for the Commonwealth and a revenue producer under the terms of the lease, and it will continue to be for the next 26 years plus options. All improvements to the land occupied by the lessee are deemed a fixture and become the property of the lessor. The shire is embarking upon an upgrade of its terminal building to meet existing demand and any future rights granted by the lessor under bilateral air services arrangements. The shire also endorses the \$69 million outlay by the Department of Defence, but as a tenant it also seeks the quiet enjoyment as provided for by clause 24 of the lease.

CHAIRMAN—Thank you. I suggest that we break until 3.45 p.m. following which I will call the Gascoyne Development Commission.

Short adjournment

[3.46 p.m.]

BATHGATE, Mr Douglas George, Senior Regional Officer, Gascoyne Development Commission, PO Box 266, Exmouth, Western Australia 6707

CHAIRMAN—The committee has received a submission from the Gascoyne Development Commission, dated 13 June 1997. Do you wish to propose any amendment to the submission, Mr Bathgate?

Mr Bathgate—No.

CHAIRMAN—It is proposed that the submission be received, taken as read and incorporated in the transcript of evidence. Do members have any objections? There being no objection, it is so ordered.

The document read as follows—

CHAIRMAN—I now invite you in your position representing the Gascoyne Development Commission to proceed to a statement before we ask questions.

Mr Bathgate—Thank you. I would like the submission to stand as is. It is a relatively short one, but in summation, I would like to emphasise the thrust of our submission and that is to point out the strategic significance of the Learmonth air base—or the strip there—in the future development of the Gascoyne region, not only from a tourism point of view, but also from various projects which have been mooted for the region, not the least of these being the aquaculture industry.

Many developers have been looking at the Gascoyne region for such developments as aquaculture. Pivotal to their developments is the rapid disbursement of their product into Asia, which is identified as one of the target areas. Hence, the airport plays a very significant role in that strategy.

We do refer, in our document, to the efforts made by the shire of Exmouth. They have expended trust fund monies in upgrading the Burkett Road, which is an alternative access to Exmouth. We believe that that upgrading will assist strategically in Defence's ability to transport materials in and out of Exmouth. It gives them an alternative sealed road access where there is only one at the moment.

We also refer to the strategic location of Learmonth. I listened with interest to the RAAF's strategic approach to it. From a domestic point of view, Learmonth is the nearest point to Singapore by air. Although some people find that hard to believe, it is a fact. Most of the Asian bound aircraft do overfly Learmonth and hence, again, it points to the fact that it is a very strategically located airstrip in regard to emergency landings and other activities. That is all I really need to say in summation. Thank you.

CHAIRMAN—Could you, for the committee's information, indicate the area that the Gascoyne Development Commission covers, geographically, and the way in which the commission is made up?

Mr Bathgate—Yes, certainly. The Gascoyne area consists of the shires of Shark Bay, Carnarvon, Exmouth and the Upper Gascoyne. Geographically, Exmouth forms the northernmost boundary, Shark Bay the southernmost and it covers the area inland beyond Mount Augustus. If I may digress and mention native title, I think it is probably relevant to the region. The native title claim that was lodged some three weeks ago is the result of the combination or grouping together of the different Aboriginal groups in the Gascoyne region. They have named themselves the Nullie group and they have put a native title claim over the whole of the Gascoyne region, which includes the waters, Shark Bay and the shires that I have mentioned.

CHAIRMAN—Do you know the way in which the commission is formed? Are they local government nominees?

Mr Bathgate—The commission is formed under a special act, the Regional Development Act. The commission is governed by a board and the board is made up of various representatives written in law. It is a statutory body and the positions are allocated. There have to be a certain number of representatives from local government. There have to be a certain number from the community and others that are ministerial appointments.

The commission's board has a chairperson and a deputy chairperson, both appointed by the government, and the system is such that we have a director, until recently a deputy director and then a series of project officers underneath. The commission operates its headquarters out of Carnarvon and I operate a satellite office here in Exmouth to look after mainly Exmouth interests.

CHAIRMAN—Given the number of development opportunities that the commission has at its fingertips, what priority does Exmouth have?

Mr Bathgate—Exmouth, I think, has number one priority at the present time. This has come about probably because of the transition and the threat to the town's future that arose from the withdrawal of the United States Navy.

CHAIRMAN—The possibility of the state government putting in, for example, \$4 million to \$6 million in international airport development at Exmouth, or Learmonth to be precise, causes no angst to the people of Carnarvon?

Mr Bathgate—No. Certainly within the region, I think it is fair to say that there is definite competition and that every shire puts its bid in. However, I think it is also fair to say that the commission is of the opinion that there is universal support for Exmouth or Learmonth to be the international gateway for the region. Every one of the shires is very supportive of that. Shark Bay shire sees great advantages in being able to utilise smaller aircraft from here directly to Monkey Mia. One of our strategies relates to hubbing out of Learmonth with lighter aircraft. When I talk about Monkey Mia, I am talking about the famous dolphin drawcard which is there. Also, of course, there are other opportunities from the Pilbara Development Commission. They are very anxious to establish links with their tourist attractions back into Learmonth.

I think the important thing that underlines the whole issue is that the Ningaloo Reef is a unique feature and it is already of well recorded international significance.

Mr HOLLIS—I appreciate the tourist aspects of the area. You do not have any worry that, if you went ahead with this international terminal, it would become a white elephant? As you well know, perhaps better than I, attracting tourism is very competitive at the moment. I have recently been in Broome and I have seen what they have been doing there in tourism. It seems to me very much that you have got to have more than an international terminal building. You have got to have that infrastructure that inevitably goes with it.

Not every international tourist wants to live in a tent. You obviously are. We should get it on the record that we are looking for the infrastructure to support this \$9 million international terminal.

Mr Bathgate—Thank you for the opportunity to mention that.

Mr HOLLIS—I thought that you would appreciate it.

Mr Bathgate—There are a number of major projects. We have mentioned the boat harbour and the trust fund's investment of \$5 million in that. The rest of the money was found by the state government. That is just about to be finished. It has added a tremendous catalyst to the place. I think you will see an amount of building activity, which, strangely enough, has only just started to occur in the last three months on properties that were just sitting there.

However, associated with that boat harbour, the state government had one of its departments, called Landcorp, do a feasibility study, along with the Gascoyne Development Commission, on putting a resort development adjacent to the boat harbour with some canals. That project is now in its final stages. The government called for expressions of interest from investors. They are now talking with a final investor to develop that project. That has a potential 441 residential lots and a very large resort component. The proponents that have put their submissions to government have indicated very clearly that, as a condition of going ahead, we need an international terminal and that it be up to international standard.

Out of fairness, this all stems from quite a lot of research that both the shire and the Gascoyne Development Commission have been doing over the last four years. We have not only looked at overseas markets but also done a fair bit of study into the types of tourists who are being attracted to the area at the current time. The result of that was that a subsidiary of Singapore Airlines decided to fly charters in here. They did so at Christmas 1994 and 1995. The evolution involved six A310s each time. It was a very interesting project.

Given the lack of facilities to handle international travellers of this type—these were package tours—they chartered one of the large coach companies and brought up to four or five buses here. The plane arrived. They took the passengers off, put them into the buses and showed them television while the other lot were being loaded on. The buses then toured throughout the Gascoyne region. They visited Coral Bay, Shark Bay, Carnarvon and then went on down to Perth. Some of the aircraft arrived in Perth and departed from here. Others arrived here and departed from Perth. The results of those were highly successful. Singapore Airlines or its subsidiary indicated clearly to us at the end of 1995 that they would not continue until such time as our facilities were adequate for their needs. They have special requirements for family groups. They wanted accommodation of a certain standard. They also, of course, wanted the airport facilities.

So that was one of the experiments that the shire and the GDC conducted. Based on that success, it gave us the impetus to pursue the matter further as far as the airport was concerned.

Mr HATTON—At paragraph 4.4, you mention that Singapore Airlines had had discussions with you in 1993 about doing pilot training for conversion to 747s. Have you discussed that proposal with the Department of Defence, given that I expect that would involve using this airstrip on a fairly regular basis, albeit with unloaded 747s? Have you had any discussions with them concerning that?

Mr Bathgate—No, we have not. That was probably because, after the initial proposals by Singapore Airlines and the evolution of what we were proposing, it became apparent to them that they needed to do something more rapidly. My understanding is that they have converted Lear jets to a 747 configuration and are using them at the moment.

However, they have indicated that they are still attracted to the air space that is here—and plenty of it—and there is an ever increasing demand placed upon them. We, as a commission, also have explored a number of other opportunities. I must be honest with you and say that we put a bid in, in 1993, to try and attract the Singapore air training project away from the controversial Jandakot, but they had already proceeded too far down the line to committing to there, so that did not happen. We have explored other air training opportunities in talking with various groups. We have centred most of this around the possibility of using the redundant buildings out at the naval communications station, but none of our attempts down that line has come to fruition at this stage.

Mr HATTON—I know a bit about the air training area. Barney Fernandes, I think, got the one at Jandakot. Barney originally introduced pilot training into Bankstown airport, which is in my electorate, before he then established facilities in South Australia and here. Part of the reason for his moving to Western Australia, and its great attraction for pilots in South-East Asia, is the vast open spaces in Western Australia and the fact that you can do it readily and safely.

I might pass on to another question and that was the issue of aquaculture, and a large aquaculture project. Obviously the intent there would not only be to undertake that aquaculture but to then be able to speedily take the product directly to markets in South-East Asia. How far advanced is the planning in relation to that? Do you think it will be realised relatively quickly? How dependent upon airport facilities would that be in order to succeed?

Mr Bathgate—The project is well advanced. Its only setback was the announcement of this native claim over and above the negotiations that they had already carried out with the designated custodian of the area. In other words, the project had all the necessary clearances up until the time this claim came into place. They now have a goal to start digging the ponds in January 1998 and they are hopeful to have their first

product in an exportable state by October of that year.

They have indicated to us that in their initial stages they will probably truck the product to Perth unless the evolution of what we are trying to do goes quicker than we anticipate. We have had Mr Forte do some research for us in regard to cargo aircraft and hold loading and what it would take to divert a cargo aircraft from Perth. We are looking at that, but we are not in a position at the moment to put any real date on when we are likely to be putting shipments through. I would like to add, however, that it is not only that aquaculture project but it is also the existing prawn factory and their export product. They are very anxious to utilise that as well.

I might add that the Kailis have developed a pearl culture project where they are growing out the baby pearl shell, and that requires flying special aircraft between here and Broome on a relatively frequently basis. They are in fact doing that now. They have got to land them at midnight because of the air temperatures and things of that sort.

Mr HATTON—Are there any other products in the area that use the airport facilities now where you are exporting product from this region out to south-east Asia or are there any others in prospect?

Mr Bathgate—There are other aquaculture products that are in the study stage. Mahi-mahi, for instance, is another project that has been looked at to export. But outside of that the shire did get approached by some people from inland who wanted to fly live goats out in freighters through here as well. I think that was in dreamland but, needless to say, they did think about it.

Senator MURPHY—In paragraph 3.2, under the heading ‘Economic Prospects for Exmouth’, you say that some of the Exmouth Development Trust Fund moneys have been injected into Burkett Road. I am curious about Burkett Road.

Mr Bathgate—Burkett Road is about 87 kilometres south of the town site, it travels directly east and then meets up with the North West Coastal Highway, out by Winning Pool. It is the short-cut for travelling to Karratha and Port Hedland, and any locations north. Until recently that was just a gravel road. It is now in its final stages of being sealed, and that offers the opportunity for trucking fuel and perhaps ordnance, that may or may not be landed through the port at Dampier, down into the region. But my point was that it does offer Defence another strategic way of locating the requirements—

Senator MURPHY—Do you think Defence would use that?

Mr Bathgate—I am sure they will. I could stand corrected, but my memory is that it has been used before by Defence in air exercise supports.

Senator MURPHY—Is that under the shire’s control?

Mr Bathgate—Yes; it is in the Shire of Exmouth and in the Shire of Carnarvon. It is a main roads project, however. Actually it is a very interesting road because at the moment it is not gazetted as such.

Senator MURPHY—Maybe you should think about making it a toll road!

CHAIRMAN—Perhaps, given the hour of the day, we might think about the relevance of the Gascoyne Development Commission and the evidence they have presented. Anything else, Senator Murphy?

Senator MURPHY—No, thank you, Mr Chairman.

CHAIRMAN—As there any no further questions, is there any other statement you wish to make, Mr Bathgate, prior to my recalling Defence?

Mr Bathgate—No, only to make one point to clarify the issue of the lease and the airport itself. Until four years ago it was all Commonwealth property—and it is still Commonwealth property. In fact, the shire took over the asset to manage it under a lease arrangement. So the commission, and I think the shire too, look at this facility as still being totally a Commonwealth asset and we do not tend to distinguish Commonwealth money from Defence or whatever else.

What we are really saying to you is that we definitely welcome the potential investment in the upgrading of this Commonwealth facility. We want to be partners in keeping it at the best possible level of maintenance, but also to make it as active as possible and get a maximum return, some of which ultimately will go back to the Commonwealth. There is a provision, of course, for readjusting the ratios of moneys that go back to the Commonwealth. I am sure that we all anticipate that if the airport gets increased usage, then the Commonwealth will ultimately benefit from that usage in terms of money in return.

CHAIRMAN—Thank you, Mr Bathgate. I will now recall the representatives of the Department of Defence.

[4.09 p.m.]

BYRNE, Group Captain, Philip Darcy, Director of Aerospace Systems Development, Department of Defence, Russell Offices, Canberra, Australian Capital Territory 2600

KAVANAGH, Group Captain, Brian Lawrence, Officer Commanding No 321 Air Base Wing, Department of Defence, RAAF Base, Darwin, Northern Territory 0800

KENNEDY, Air Commodore James Frederick George, Director General Facilities—Air Force, Department of Defence, Campbell Park Offices, Australian Capital Territory 2600

MORGAN, Wing Commander Stephen James, Project Director, Department of Defence, Campbell Park Offices, Canberra, Australian Capital Territory 2600

CHAIRMAN—Welcome again, gentlemen. There are obviously some questions that the committee would like to raise, particularly those prompted by the Shire of Exmouth, on the questions of electrical distribution and, dare I mention it, pavement strength. But it may be, Air Commodore Kennedy, that you or any of your nominees may care to make a statement first.

Air Cdre Kennedy—Thank you, Mr Chairman. At the outset, I want to make clear to the committee the excellent cooperative arrangements that we have both with the Shire of Exmouth and the Gascoyne Development Commission. It is an excellent working relationship and I certainly believe that most of the points that they have raised we can work through together.

On the PCN, I am with you—I was hoping not to even raise the PCN issue, because I do not believe it is a significant issue. Firstly, I will assure the committee and the shire of Exmouth that we will review the figuring on that and get back to them on the actual number. As I said earlier, I do not believe it is a significant issue.

The utilisation of Learmonth by large aircraft encompasses two possible issues. One is as an international alternative to Perth, and nothing would restrict us allowing an international aircraft coming in here if they could not get into Perth. They would never be denied that, and the pilots would know that as well.

Secondly, if the shire of Exmouth were negotiating an increase in regular passenger traffic, or international traffic even, into Exmouth, such as Singapore Airlines, they would negotiate that with us. We have had similar negotiations with the airlines in relation to the utilisation of Fairbairn of traffic that exceeded significantly the PCN rating of Fairbairn. We were able to come to an agreement on the weightings and the periodicity of the movements through Fairbairn, to both parties' agreement. I have never ever seen this as an embuggerance to any activity occurring here.

I will agree to review this and have my staff liaise with the shire of Exmouth and I am certain that we can come up with some amicable solution to this. Hopefully, that will be the end of it. We do not want to hear about PCN again.

I think the other important aspect is in relation to the contribution that the Australian taxpayer should make to civil facilities. To put it in some element of perspective, we will be overlaying for maintenance on the main aircraft pavements, and I am happy to disclose the figure for that. The estimate of that is round about \$6 million-plus all up in terms of the number of elements to that. We are contributing totally to that. The Australian taxpayer is paying for that and the benefits certainly go to the civil users and to the shire of Exmouth.

In relation to the civil apron and the taxiway, which is quite small, we did write to the shire of Exmouth on this and did receive a response from them, and I have spoken with the CEO of the shire of Exmouth since they raised the issue today. I think there is a misunderstanding in their response of the way we interpret it. They did write and say that payment for the requested work could be made directly to Defence once we agreed to the cost of the schedule. Our interpretation of that was both the apron and the taxiway and the lighting. Talking today to the CEO, that is not what they intended, so we will need to work through this.

From our perspective, we believe that is a legitimate charge to the shire of Exmouth representing the local operators. It should not be a payment to the Australian taxpayer, putting in perspective no contribution to the main aircraft pavements at all.

Concerning power, I think when we wrote to the shire of Exmouth saying we could not guarantee continual supply I was primarily referring to the fact that we are not a utility provider. Unfortunately, we do not have the expertise on the base—electrical expertise—to guarantee this at all times. We are only too happy to be cooperative with the shire of Exmouth, under the intent of the lease, for reticulation to go through our network, both in terms of mains supply and with emergency power being available to all of us. We are only too happy to provide that at this time.

But, as the civil terminal facilities expand, and they appear that they might get quite large in terms of international status with the air-conditioning and the increased electrical load, it is only right that we should not, as Australian taxpayers, contribute directly to that. That should be a part of the cost to the Shire of Exmouth and to the users of that facility. We would see the upgrading of the central emergency powerhouse as being for military purposes. We would provide them with emergency power as it was available but would not guarantee it continually.

Under this proposal, we have no requirement—and I mentioned this earlier—to relocate those substations. In the diagram illustrated by the shire of Exmouth you will have noted that those substations only need to be relocated if the major development to

the civil area proceeds. That being the case, we see that as a legitimate charge to the developers of that space. Those are probably the key issues that were raised by the shire of Exmouth.

CHAIRMAN—I made some notes, Air Commodore Kennedy, and I think they were the issues that were causing the most concern.

Senator MURPHY—With regard to the question that was raised about ownership and it being a Commonwealth—albeit Defence-owned—property, the argument that was put was that Commonwealth property is Commonwealth property; if it is taxpayers' money, whether it be, say, in the case of the FAC and/or Defence, where there are buildings built on the property, they then become the property of the Commonwealth. In so far as other airports are concerned—joint user airports—what is the case there with regard to maintenance, upgrades, et cetera? Who meets the costs?

Air Cdre Kennedy—In leased areas on other airports?

Senator MURPHY—Firstly, in the case of the question that relates to Taxiway W and then with regard to the leased areas?

Air Cdre Kennedy—A good example would probably be RAAF Base Williamtown, which is analogous to this, although the traffic through Williamtown is much higher. The main runway and taxiway network aircraft pavements are the responsibility of the Department of Defence. The aircraft apron and the link taxiway to that apron is the responsibility of the local authority, which is akin to the shire of Exmouth. All buildings on the leased area are the responsibility of the local authority again. It is responsible for those buildings.

Senator MURPHY—I just want to make sure I have not misunderstood. In terms of Taxiway W, by way of the example that you just quoted, where would that put Defence regarding its obligations here?

Air Cdre Kennedy—We would not maintain that at Williamtown.

Mr HATTON—I am fearful of the reaction I might get in mentioning pavements—

Air Cdre Kennedy—As long as it is not a sewerage farm, Mr Hatton.

CHAIRMAN—You should be fearful of the reaction from the chairman not from Air Commodore Kennedy.

Mr HATTON—The change from 50 to 39 was not a capricious act but was based on a discovery that there may have been a wrong calculation in the first place—is that the

case?

Air Cdre Kennedy—Yes. It was discovered by my staff back in Canberra that there was an anomaly between what the published PCN was and what the real PCN was seen to be in terms of the way we evaluate our pavements. That is the reason it was downgraded.

Mr HATTON—That then clarifies the former situation where, when you said in evidence that you were bringing it into line with other RAAF bases, the RAAF assesses these things in a different way and it was not just a capricious act?

Air Cdre Kennedy—No. There was never an intention of restricting the utilisation of this airfield by the shire of Exmouth. That was never the intention, and that is the reason I am surprised that it has, possibly, been interpreted that way. We need to communicate a little better, to clarify the issue to ensure that they see that there is no constraint on their operations.

Mr HATTON—To finish on this, it was slightly amusing to hear the shire talk about how, under the lease provisions, they should have a quiet enjoyment of this airport. I imagine that there would not be too much quiet enjoyment during exercises.

CHAIRMAN—That is a very Sydneysider observation.

Senator MURPHY—I want to ask one question with regard to substation No. 4 and its movement. You have to move one other substation?

Air Cdre Kennedy—Substation No. 5.

Senator MURPHY—I thought there was one Defence had to move anyway.

Air Cdre Kennedy—No.

Senator MURPHY—You do not have to move any other substations?

Air Cdre Kennedy—No. We did mention about the airfield lighting equipment room. We are providing a new one which is currently part of the central emergency power station.

Wing Cmdr Morgan—There will be new substations associated with the new OLAs.

Senator MURPHY—Will they be located in different areas?

Wing Cmdr Morgan—They will be over near the OLAs.

Senator MURPHY—They will be new additional ones?

Wing Cmdr Morgan—New additional substations.

Air Cdre Kennedy—I want to clarify something to put things in perspective. I mentioned this when I visited the shire of Exmouth earlier this year. On power supply, it is a judgment that they have to make, but we are only too delighted to continue the arrangements. The judgment they need to make is whether they want to take a separate feed off the domestic line before it hits our intake substation and run a line to the eastern side of the base.

If we have a breakdown of the reticulation—and that can happen at any time—or in the central emergency powerhouse, then they have got no way of getting power. The local authority cannot help them. We will have some difficulty helping them as well. My judgment is that that is a very low risk, but that is a risk that they have to judge for themselves. Is that clear, Mr Chairman? I just wanted to clarify what that really means.

CHAIRMAN—Yes. If there are no other questions, it is proposed that the correspondence received that has been circulated to members of the committee be incorporated in the transcript of evidence. There being no objection, it is so ordered.

The correspondence read as follows—

CHAIRMAN—Ladies and gentlemen, before closing I would like to thank the witnesses who appeared before the committee today. I would also like to thank those who assisted with our tour of inspection this morning. I should particularly name officers of both the navy and the air force who made the inspection possible.

I would like to reassure members of the general public who are here that the committee is always very sensitive about being accompanied by witnesses who are about to appear before the committee later that day. I would like to compliment Defence for the very professional way in which they went about the briefing without allowing the committee to, in any sense, feel obligated.

A special vote of thanks is due to the Shire of Exmouth for making this venue available. We are grateful to representatives of the shire. I also want to thank not only my fellow committee members but *Hansard* and the secretariat. After all, all of us have come from a fortnight of sittings in Canberra and the thought of coming to Exmouth had a particular appeal. I want to indicate to you that, from *Hansard's* point of view, there are all sorts of inconveniences in this.

From the point of view of committee members, we recognise that the secretariat has been particularly busy meeting deadlines for reports that have been expected both on Kingsford Smith airport, which was urgent from the point of view of the Olympic Games, and on the Albion project, of which the committee can claim to have pruned the expected expenditure by about \$30 million and is feeling currently quite justified.

I want to reassure all of those who are here that there is not quite the same enthusiasm for taking \$30 million out of the project currently before us, but I want to say that the committee feels that it has a role to play in ensuring that taxpayers' funds are used in a wise and prudent way.

Resolved (on motion by Mr Hollis):

That, pursuant to the power conferred by section 2(2) of the Parliamentary Papers Act 1908, this committee authorises publication of the evidence given before it at public hearing this day.

Committee adjourned at 4.26 p.m.