

RAAF Base Darwin Redevelopment Stage 2, Northern Territory

- 3.1 RAAF Base Darwin Redevelopment Stage 2, Northern Territory (RAAF Base Darwin) proposes to improve the operational capability and rectify occupational health and safety and environmental deficiencies currently existing at the base. The estimated cost of the project is \$49.832 million (excluding GST.)
- 3.2 RAAF Base Darwin was referred to the Committee for inquiry on 18 March 2008.

Conduct of the inquiry

- 3.3 The inquiry was advertised in the *Northern Territory News* on 29 March 2008. The Committee received one submission and a confidential supplementary submission regarding the project costs. A list of submissions can be found at Appendix A.
- 3.4 The Committee undertook a site inspection, in-camera hearing and public hearing on 16 April 2008 in Darwin. A list of witnesses can be found at Appendix B.
- 3.5 The transcript of the public hearing as well as the submission to the inquiry are on the Committee's website.¹ Plans for the proposed works are detailed in Submission 1, Department of Defence.

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

Need for works

- 3.6 The Department of Defence (Defence) states that the proposed works are necessary to upgrade the base in response to changing operational needs and improve base capability to respond to increasing demands.²
- 3.7 Further, Defence states that works are necessary due to the fact that most facilities on base were originally constructed in the 1940s to 1960s with repairs following Cyclone Tracy in the 1970s. Facilities are now considered to be 'well below current industry and defence standards.' It was not considered cost effective to upgrade existing facilities in the majority of cases due to the age.³
- 3.8 The Committee undertook a site inspection of the proposed works and noted the age of base and the number of demountables being used as offices. The Committee considers this to be substandard, particularly given the weather conditions in Darwin. The Committee finds that there is need for the proposed works.

Scope of works

- 3.9 The work consists of five elements as follows:
- Joint Logistics Unit (North) Headquarters: a single-level building for the co-location of 70 staff including office space, conference rooms, secure operations area, ablutions, amenities and parking;
 - fuel storage and reticulation: decommissioning of three small fuel farms and replacement with new fuel storage facility and associated pumps, services and pipe connection to existing services and aprons;
 - mechanical equipment workshop: drive-through workshop bays, lubrication/inspection pits and associated workshops, centralised administrative facility, petrol, lubricant and battery stores and roads;
 - administrative facility for fuel equipment maintenance section: extension of existing facility to provide office, library, first aid and storage; and

2 Submission 1, Department of Defence, p 2.

3 Submission 1, Department of Defence, p 2-4.

- vehicle wash bay.⁴

3.10 The Committee has assessed the scope of works and finds them suitable to provide the facilities necessary to meet the needs of RAAF Base Darwin.

Cost of works

3.11 The total out-turn cost of the work is scheduled to be \$49.832 million (excluding GST) which includes construction costs, management and design fees, internal fitout, information and communication technology and contingency and escalation allowance.⁵

3.12 The Committee received detailed cost plans for the project and held an in-camera hearing with Defence on the full project costs.

3.13 An estimated saving of \$700 000 per annum is expected being the current maintenance costs of the three fuel tanks that will be decommissioned as part of the project.⁶ In addition, savings are expected through the provision of a purpose-built mechanical equipment workshop given the increased operating costs imposed by the current inadequate facility.⁷

3.14 The Committee is satisfied that the costings for the project are adequate and that suitable contingency planning is in place, including deferring non-essential works should there be budget over-runs in any area, to ensure the overall budget is not compromised.

Committee comment

3.15 Some concerns were raised about the need to demolish decommissioned structures rather than put them to alternative use, for example as shade structures. Defence noted that the age of the structures made it cost prohibitive to upgrade them and in their existing state they posed a hazard to those outside the base in the event of a cyclone due to the risk of flying debris.⁸

4 Submission 1, Department of Defence, p 8-9.

5 Brig W Grice, Proof Transcript of Evidence, 16 April 2008, p 1-2.

6 Brig W Grice, Proof Transcript of Evidence, 16 April 2008, p 5.

7 Submission 1, Department of Defence, p. 5

8 Brig W Grice, Proof Transcript of Evidence, 16 April 2008, p 8-9.

- 3.16 While in this instance the Committee agrees with Defence's assessment, its preference is that re-use of existing structures be given priority consideration in all instances.
- 3.17 The Committee also notes that common-use facilities are less apparent in these redevelopment plans than on other bases. Defence explained that there was only one project element suitable to be used as a common-use facility.⁹ The Committee urges the ongoing consideration of common-use facilities wherever possible.
- 3.18 Overall, the Committee is satisfied that this project has merit in terms of need, scope and cost. No other submissions were received raising issues with the proposed works. The Committee is therefore satisfied that there are no reasons to object to the work proceeding.
- 3.19 Having examined the purpose, need, use, revenue and public value of the work, the Committee considers that it is expedient that the proposed redevelopment at RAAF Base Darwin proceed.

Recommendation 4

- 3.20 **The Committee recommends that the House of Representatives, pursuant to Section 18 (7) of the *Public Works Committee Act 1969*, resolve that it is expedient to carry out the following proposed work: RAAF Base Darwin Redevelopment Stage 2, Northern Territory.**

⁹ Brig W Grice, Proof Transcript of Evidence, 16 April 2008, p 9.