

# **DEFENCE**

## **CHAPTER THREE**

### **CAPITAL BUDGET**

#### **CAPITAL BUDGET**

**Overview**

**Defence Capability Plan**

**The Approved Major Capital Equipment Program**

**Capital Facilities Projects**

**Other Capital Purchases**

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# CAPITAL BUDGET

## OVERVIEW

The capital budget, including capital receipts, has increased by \$312.6m to \$4,074.5m since the budget. Details are shown in Table 3.1.

**Table 3.1: Variation in the Capital Program 2004-05**

Group/Item Description	Budget Estimate 2004-05	Revised Estimate 2004-05	Variation
	\$'000	\$'000	\$'000
Capital Appropriation	79,312	-	-79,312
Operating Appropriation	20,666	17,350	-3,316
<b>Sub total Defence Capability Plan<sup>(1)</sup></b>	<b>99,978</b>	<b>17,350</b>	<b>-82,628</b>
Capital Appropriation	2,483,834	2,689,412	205,578
Operating Appropriation	328,882	421,485	92,603
<b>Sub total Approved Major Capital Program<sup>(2)</sup></b>	<b>2,812,716</b>	<b>3,110,897</b>	<b>298,181</b>
Capital Appropriation	448,009	388,520	-59,489
Operating Appropriation	20,679	22,994	2,315
<b>Sub total Capital Facilities<sup>(3)</sup></b>	<b>468,688</b>	<b>411,514</b>	<b>-57,174</b>
Other Capital <sup>(4)</sup>	472,532	626,753	154,221
Total Capital Component	3,483,688	3,704,685	220,998
Total Operating Component	370,227	461,829	91,602
<b>Total Capital Investment Program</b>	<b>3,853,915</b>	<b>4,166,514</b>	<b>312,600</b>
<b>Net Capital Receipts<sup>(5)</sup></b>	<b>-91,980</b>	<b>-91,980</b>	<b>-</b>
<b>Total Capital</b>	<b>3,761,935</b>	<b>4,074,534</b>	<b>312,600</b>

**Notes**

1. See further details at p. 31.
2. See further details at p. 32.
3. See further details at p. 33.
4. See further details at p. 45.
5. See further details at Table 3.6.

An explanation of the variations in each element of the capital program follows.

### DEFENCE CAPABILITY PLAN (-\$82.6m)

Since the Defence White Paper was announced in 2000, the Government has approved more than 125 projects or phases of projects with a total cost of over \$20 billion. Further projects will be considered for approval by the Government in 2004-05.

The reduction in the Defence Capability Plan of \$82.6m reflects the progressive transfer to the approved major capital equipment program, and reallocation of funding from within the investment budget, of projects approved since the 2004-05 Defence Budget was announced.

Defence continues to review the programming of the Defence Capability Plan in light of Defence White Paper spending and evolving priorities.

## **Major projects recently approved by the Government**

Major projects approved by the Government since the *Portfolio Budget Statements 2004-05* include:

- F/A-18 Hornet Upgrade - Forward Looking Infra-red Radar;
- Standard Missile (SM-1) Replacement;
- Additional Trooplift Helicopters;
- Chinook Mid-life Upgrade - Early Engine Replacement; and
- P-3 Orion Electronic Warfare Self-Protection.

In addition, the Government has approved funding for studies and development of the following projects:

- Capability and Technology Demonstrators;
- Rapid Prototyping, Development and Evaluation;
- Airborne Surveillance for Land Operations;
- Amphibious Deployment and Sustainment - Risk Reduction Activity;
- Follow-on Stand-off Weapon;
- Air Warfare Destroyer; and
- Combat Identification for Ground Forces.

## **THE APPROVED MAJOR CAPITAL EQUIPMENT PROGRAM (+\$298.2m)**

The approved major capital equipment program has increased by \$298.2m to \$3,110.9m since the budget. Reasons for the variations include:

- price increases (+\$20.5m);
- foreign exchange adjustments (+\$59.7m);
- transfers from the Defence Capability Plan of projects approved since the 2004-05 Budget (+\$291.3m). This includes \$70m redirected from the major capital facilities program to support the progression of the trooplift helicopter project; and
- reprogramming of funding from the main battle tank replacement project to the trooplift helicopter project with repayment to the tank project in later years (-\$84.9m).

An overview of the top 30 projects in the approved major capital equipment program can be found in Chapter Seven (Defence Materiel Organisation) in Table 7.2.

## CAPITAL FACILITIES PROJECTS (-\$57.2m)

The major capital facilities program has decreased by \$57.2m to \$411.5m since the budget. Reasons for the variation include:

- price increases (+\$2.8m);
- redirection of funding due to project slippage to support the progression of the trooplift helicopter project (-\$70.0m);
- transfers of funds from the Defence Capability Plan of projects approved since the 2004-05 Budget (+\$2.2m); and
- transfers of funds from the approved major capital equipment program, including funding for the Guided Weapons Facility West upgrade at HMAS Stirling, and construction and modification to facilities at Defence Estate Orchard Hills (+\$8.8m).

### Approved Major Capital Facilities Projects

The following information provides details of revised estimated expenditure in 2004-05 for approved major capital facilities projects.

**Table 3.2: Approved Major Capital Facilities Projects by State and Federal Electorate**

Program of Major Works (by State, Federal Electorate and Locality)	Total Estimated Expenditure \$'000	Cumulative Expenditure to 30 June 2004 \$'000	Budget Estimate 2004-05 \$'000	Revised Estimate 2004-05 \$'000	Variation \$'000
<b>NEW SOUTH WALES</b>					
<b>Gilmore</b>					
Nowra – HMAS Albatross – Base Redevelopment	110,000	100,918	7,400	5,700	-1,700
<b>Hughes</b>					
Holsworthy – Special Forces Training Facilities <sup>(1)</sup>	79,600	623	-	15,000	15,000
<b>Kingsford Smith</b>					
Randwick – Disposal and Rationalisation – Interim Works <sup>(1)</sup>	8,750	2,952	-	1,000	1,000
<b>Macquarie</b>					
Richmond – RAAF Richmond – Reinvestment	35,000	685	25,000	25,000	-
<b>Parramatta</b>					
Ermington – Pre-Disposal Site Works <sup>(2)</sup>	33,106	7,188	7,600	9,900	2,300
<b>Paterson</b>					
Williamtown – RAAF Williamtown – Redevelopment Stage 1 and Airborne Early Warning and Control Works	129,200	18,333	38,000	32,000	-6,000
<b>Total New South Wales</b>	<b>395,656</b>	<b>130,699</b>	<b>78,000</b>	<b>88,600</b>	<b>10,600</b>
<b>VICTORIA</b>					
<b>Melbourne Ports</b>					
Fishermans Bend – Relocation of Defence Science and Technology Organisation Platforms Sciences Laboratory <sup>(2)</sup>	106,200	49,027	6,000	5,000	-1,000
<b>Total Victoria</b>	<b>106,200</b>	<b>49,027</b>	<b>6,000</b>	<b>5,000</b>	<b>-1,000</b>

## Capital Budget

Program of Major Works (by State, Federal Electorate and Locality)	Total Estimated Expenditure \$'000	Cumulative Expenditure to 30 June 2004 \$'000	Budget Estimate 2004-05 \$'000	Revised Estimate 2004-05 \$'000	Variation \$'000
<b>QUEENSLAND</b>					
<b>Groom</b>					
Oakey – Oakey Base Redevelopment <sup>(2)</sup>	80,000	69,789	11,500	10,200	-1,300
<b>Herbert</b>					
Townsville – Lavarack Barracks Redevelopment Stage 3 <sup>(2)</sup>	171,149	114,111	39,000	48,500	9,500
Townsville – RAAF Townsville Redevelopment Stage 2	72,546	71,205	800	1,050	250
<b>Total Queensland</b>	<b>323,695</b>	<b>255,105</b>	<b>51,300</b>	<b>59,750</b>	<b>8,450</b>
<b>SOUTH AUSTRALIA</b>					
<b>Bonython</b>					
Edinburgh – RAAF Edinburgh – Redevelopment Stage 1	41,491	37,873	1,500	2,300	800
Edinburgh – DSTO Edinburgh – Extension to Joint Electronic Warfare Building <sup>(1)</sup>	19,890	-	-	7,560	7,560
<b>Total South Australia</b>	<b>61,381</b>	<b>37,873</b>	<b>1,500</b>	<b>9,860</b>	<b>8,360</b>
<b>NORTHERN TERRITORY</b>					
<b>Lingiari</b>					
Timber Creek – Bradshaw Field Training Area Infrastructure	64,783	13,264	24,000	24,000	-
Katherine – RAAF Tindal – Security Fence	9,250	331	8,600	8,670	70
<b>Solomon</b>					
Darwin – RAAF Darwin – Base Redevelopment Stage 1 <sup>(2)</sup>	13,190	9,338	2,700	3,300	600
Darwin – 1 <sup>st</sup> Aviation Regiment Relocation	75,000	6,240	50,000	47,000	-3,000
<b>Total Northern Territory</b>	<b>162,223</b>	<b>29,173</b>	<b>85,300</b>	<b>82,970</b>	<b>-2,330</b>
<b>AUSTRALIAN CAPITAL TERRITORY</b>					
<b>Fraser</b>					
Canberra – Intelligence Facilities – Russell Offices <sup>(3)</sup>	16,350	10,400	4,500	5,950	1,450
Canberra Multi-User Depot	13,500	11,792	1,500	1,708	208
<b>Total Australian Capital Territory</b>	<b>29,850</b>	<b>22,192</b>	<b>6,000</b>	<b>7,658</b>	<b>1,658</b>
<b>TOTAL</b>	<b>1,079,005</b>	<b>524,069</b>	<b>228,100</b>	<b>253,838</b>	<b>25,738</b>

### Notes

1. Project approval subsequent to portfolio budget statements.
2. Figures will differ from those reported in the portfolio budget statements due to budget increases.
3. Increase in total estimated expenditure due to outturned cost.

## New South Wales

### Nowra, HMAS Albatross – Base Redevelopment

This project replaces existing facilities and services that are beyond economical repair and includes redevelopment of the operational and administration support facilities. The majority of works are complete. Outstanding elements include engineering services upgrades to be completed by mid-2005 and the construction of the flight deck procedural training facilities (which has commenced and is due for completion by late 2005). These delays are associated with National Code of Practice issues.

This project contributes to Navy capability.

### **Holsworthy – Special Forces Training Facilities**

The Special Forces Training Facilities project provides specialist ranges and training facilities to support Special Forces units based at Holsworthy. The project received Government approval in May 2004. Design work was completed in August 2004, with construction commencing in late 2004 and completion expected by October 2006. Relocation of the existing ranges will be completed in mid-2005.

This project contributes to Army and joint capabilities.

### **Randwick – Disposal and Rationalisation Project – Interim Works**

Defence is required to deliver some interim works at Randwick, prior to a proposed larger disposal and rationalisation project. The interim works include delivery of community facilities as part of the agreed strategy for the disposal of the site, relocation of some Army units and preparation of some land for disposal. The community facilities and relocation of Army units are being completed in 2004-05.

This project contributes to Army capability.

### **Richmond – RAAF Richmond – Reinvestment**

This project involves a limited capital reinvestment to address pressing infrastructure deficiencies. The building works associated with the reinvestment project support the current operations of the Air Lift Group as well as an upgrade of the base engineering infrastructure. Construction commenced in mid-2004 and is scheduled to be completed by the end of 2005. Major works for 2004-05 are the construction of a squadron headquarters complex and maintenance workshops.

This project contributes to Air Force capability.

### **Ermington – Ermington Pre-disposal Site Works**

The project involves preparing the 21.3 hectare site for disposal. It includes two elements: progressive site filling and stabilisation of the soil; and the installation of infrastructure services including water, electricity and telecommunications. This will enable the site to be sold progressively over the coming years. The sale of Stage 1 was achieved on schedule in June 2004. Stage 2 infrastructure works have commenced and are due for completion in mid-2005.

This project contributes to Command of Operations.

### **Williamtown – RAAF Williamtown – Redevelopment Stage 1 and Airborne Early Warning and Control Works**

The project provides a range of new and redeveloped facilities and infrastructure necessary for the introduction into service of the airborne early warning and control capability at RAAF Williamtown. The planning phase was completed in September 2004. The managing contractor for the delivery phase was appointed in November 2004. The major works that commenced in 2004-05 included the airborne early warning and control aircraft hangar and fuel farm remediation works.

This project contributes to Air Force capability.

## Victoria

### **Fishermans Bend – Relocation of Defence Science and Technology Organisation Platforms Sciences Laboratory**

This project involves the relocation of science and technology functions from Maribyrnong to Fishermans Bend and includes the integration of common functions and the construction of improved research and laboratory facilities. The chemical, biological and nuclear defence centre was completed in mid-2004 along with the bulk of the Maritime Platforms Division laboratory, excluding fit-out. The Government approved an increase of \$45m to allow completion of works required to vacate the Defence Science and Technology Organisation's Maribyrnong site. A conference centre and library complex are scheduled for completion by the end of 2005. Completion of this project is expected by the end of 2006.

This project contributes to Navy, Army and Air Force capabilities.

## Queensland

### **Oakey – Oakey Base Redevelopment**

This project has redeveloped the base for optimal support of Army rotary wing flying training, including the armed reconnaissance helicopter. The project is complete, except for the Armed Reconnaissance Helicopter simulator facility, which is due to be completed by March 2005.

This project contributes to Army capability.

### **Townsville – Lavarack Barracks Redevelopment Stage 3**

This project provides new working facilities for Army units at Lavarack Barracks to replace existing ones. Construction of new facilities for the 1<sup>st</sup> Battalion Royal Australian Regiment was completed in August 2004. The construction of new facilities for Headquarters 3<sup>rd</sup> Brigade commenced in September 2004. All Stage 3 works will be completed by late 2005.

This project contributes to Army capability.

### **Townsville – RAAF Townsville Redevelopment Stage 2**

This project provided a range of new facilities to replace existing ones. Major works included transit accommodation, the main base entrance, a physical fitness centre, a new combined messing facility and an air movements terminal. This project is substantially complete.

This project contributes to Air Force capability.

## **South Australia**

### **Edinburgh – RAAF Edinburgh – Redevelopment Stage 1**

This project provides enhanced administrative, workshop and warehousing facilities, an upgrade of engineering services and an aircraft shelter.

Construction is substantially complete, with final works due for completion by April 2005.

This project contributes to Air Force and Navy capabilities.

### **Edinburgh – DSTO Edinburgh – Joint Electronic Warfare Operational Support Unit Building Extension**

This project will provide additional space to accommodate an increase in personnel and equipment associated with the collocation of Air Force, Army and Navy electronic warfare activities, increased operational support requirements, and the introduction of new aerospace and sea weapons platforms. The project received Government approval in May 2004. Construction has commenced and is expected to be completed by June 2006.

This project contributes to joint capabilities.

## **Northern Territory**

### **Timber Creek – Bradshaw Field Training Area Infrastructure**

This project provides engineering services and infrastructure to allow the use of Bradshaw as a field training area for 1<sup>st</sup> Brigade. The civil works component of this project is well advanced. Construction is expected to be completed by the end of 2005.

This project contributes to Army capability.

### **Katherine – RAAF Tindal – Security Fence**

This project will provide a perimeter security fence for the base, designed to detect and delay intruder access. Construction of the fence commenced in July 2004 and will be completed in mid-2005.

This project contributes to Air Force capability.

### **Darwin – RAAF Darwin – Base Redevelopment Stage 1**

This project provides enhanced support facilities at RAAF Darwin. The majority of facilities have been completed and are in use. The final component of the project, upgrading the fire fighting water supply, was completed in December 2004.

This project contributes to Air Force capability.

### **Darwin – 1<sup>st</sup> Aviation Regiment Relocation**

This project will provide new facilities for the 1<sup>st</sup> Aviation Regiment at Robertson Barracks in Darwin and includes purpose-built working, training and domestic accommodation facilities. Construction commenced in April 2004 and is due for completion by the end of 2005.

This project contributes to Army capability.

### **Australian Capital Territory**

#### **Canberra – Russell Offices – Intelligence Facilities**

Russell Offices Building R4 was refitted to accommodate the increased requirements of the Defence Imagery and Geospatial Organisation. The project was completed in September 2004.

This project contributes to Intelligence capability.

#### **Canberra – Canberra Multi-User Depot**

This project provided a multi-user depot at HMAS Harman that collocated various Navy, Army and Air Force operational units, Reserves and Cadets. The requirement arose from the sale of RAAF Fairbairn and the proposed sale of the Army depot in Canberra city. Work on the depot was completed in July 2004.

This project contributes to joint capabilities.

## **Status of Major Projects Foreshadowed for Government and Joint Standing Committee on Public Works Consideration in 2004-05**

During 2004-05, Defence expects to present proposals to the Government and then to the Joint Standing Committee on Public Works for a number of facilities projects. The following table provides details of the proposed major capital projects expected for referral and consideration in 2004-05.

**Table 3.3 Proposed Major Capital Facilities Projects for Parliamentary Consideration in 2004-05**

<b>Program of Major Works (by State, Federal Electorate and Locality)</b>	<b>Referral Date</b>	<b>Indicative Hearing Date</b>
<b>NEW SOUTH WALES</b>		
<b>Hughes</b> Holsworthy –Special Operations Working Accommodation and Base Redevelopment Stage 1	June 2005	September 2005
<b>Kingsford Smith</b> Randwick Disposal and Rationalisation Project (Redevelopment and Disposal of Surplus Land)	March 2005	Mid-2005
<b>QUEENSLAND</b>		
<b>Forde</b> Canungra – Redevelopment of Kokoda Barracks (formerly Canungra Army Base)	March 2005	May 2005
<b>Blair</b> Amberley – RAAF Amberley - Engineering Services Upgrade	May 2005	August 2005
Amberley – RAAF Amberley - 9 <sup>th</sup> Force Support Battalion and 21 Construction Squadron relocation to Amberley	May 2005	August 2005

<b>Program of Major Works (by State, Federal Electorate and Locality)</b>	<b>Referral Date</b>	<b>Indicative Hearing Date</b>
<b>SOUTH AUSTRALIA</b>		
<b>Port Wakefield</b>		
Port Wakefield Ammunition Facility	March 2005	May 2005
<b>NORTHERN TERRITORY</b>		
<b>Solomon</b>		
Darwin – Darwin Naval Base – Patrol Boat Facilities	March 2005	May 2005
<b>OTHER</b>		
Location to be advised – Air-to-Air Refuelling Facilities	May 2005	August 2005

## **New South Wales**

### **Holsworthy – Special Operations Working Accommodation and Base Redevelopment Stage 1**

The Holsworthy program of works will be delivered in two packages: the Special Forces Working Accommodation and Base Redevelopment Stage 1 and a separate Special Forces Training Facilities package. Development work will continue during 2004-05. Construction is expected to commence on high-priority work packages following Government and Parliamentary consideration in April 2005.

This project contributes to Army capability.

### **Randwick – Disposal and Rationalisation Project**

This project will allow for the disposal of surplus land at Randwick and the redevelopment of the retained portion of the barracks. The rationalisation works will support the relocation of the 19<sup>th</sup> Chief Engineer Works Unit, Headquarters 1<sup>st</sup> Commando Regiment, along with upgrades to barracks security and functionality.

This project contributes to Army capability.

## **Queensland**

### **Canungra – Redevelopment of Kokoda Barracks (formerly Canungra Army Base)**

This project will provide upgraded training and mess facilities, working accommodation, and living-in accommodation for the Army training units at Canungra. The project also includes the upgrade of all infrastructure services. Construction is scheduled to commence in late 2005 with a target completion date of late 2007.

This project contributes to Army capability.

### **Amberley – RAAF Amberley – Engineering Services Upgrade**

This project will upgrade trunk engineering services at RAAF Amberley. Works will include refurbishment and upgrade of the electrical reticulation, trunk communications, water, stormwater, and sewerage infrastructure including connection to the Ipswich sewage treatment plant. The works will allow capacity for future infrastructure developments at the base. The target completion date is mid-2008.

This project contributes to Air Force capability.

### **Amberley – RAAF Amberley – Relocate 9<sup>th</sup> Force Support Battalion and 21<sup>st</sup> Construction Squadron**

This project will provide new working accommodation for the relocation of 9<sup>th</sup> Force Support Battalion elements to RAAF Amberley. The new facilities required to support the relocation of this Army unit include workshops, administration buildings, hardstands and vehicle shelters. Construction is scheduled to commence in early 2006. The target completion date is in late 2007.

This project contributes to Army capability.

## **South Australia**

### **Port Wakefield – Port Wakefield Ammunition Facility**

The aim of this project is to construct a new facility for the breakdown and analysis of medium to heavyweight ammunition and ordnance. The project will deliver buildings and supporting infrastructure with associated upgrades to security and range control facilities. The project is due for completion by the end of 2006.

This project contributes to joint capabilities.

## **Northern Territory**

### **Darwin – Darwin Naval Base – Patrol Boat Facilities**

This project will provide upgraded facilities at the Darwin Naval Base for the new Armidale-class patrol boats. Construction is expected to commence in early 2006 and will be completed in stages to allow the continued operation of the naval base and support the introduction into service of the Armidale-class patrol boats. The project is due for completion by the end of 2006.

This project contributes to Navy capability.

## **Location Yet to be Decided**

### **Construction of Air-to-Air Refuelling Facilities**

This project will provide facilities to support the relocation of the ADF's air-to-air refuelling capability and to support the introduction of the new airframes to be delivered under the ADF Air Refuelling Capability project. The air-to-air refuelling works include construction of administration buildings, airfield pavement upgrades, maintenance facilities and the provision of hydrant refuelling. There has been no formal decision by the Government on the location of the air-to-air refuelling capability. Construction is scheduled to commence in late-2005. The target completion date is mid-2008.

This project contributes to Air Force capability.

## Approved Private Financing Project

### Eden-Monaro, New South Wales – Headquarters Joint Operations Command (formerly Headquarters Australian Theatre)

The Headquarters Joint Operations Command project will support the Chief of Joint Operations and collocate staff from Canberra, Sydney and Melbourne into one facility.

On 9 March 2004, the Government gave approval for Defence to invite tenders to develop the building and infrastructure component of the project under private finance arrangements, on the basis that this will achieve value for money. A traditional (or direct) procurement strategy will be used to acquire and install the command, control, communications and information systems. The report from the Joint Standing Committee on Public Works recommended that the project proceed at an estimated cost of \$318.1m (2003-04, out-turned prices) and the Committee's report was approved by Parliament on 12 August 2004.

This project contributes to Command of Operations capability.

## Approved Medium Capital Facilities Projects

The following table details revised estimated expenditure in 2004-05 for medium facilities projects.

**Table 3.4: Approved Medium Capital Facilities by State and Federal Electorate**

Program of Medium Works (State, Federal Electorate and Locality)	Total Estimated Expenditure \$'000	Cumulative Expenditure to 30 June 2004 \$'000	Budget Estimate 2004-05 \$'000	Revised Estimate 2004-05 \$'000	Variation \$'000
<b>NEW SOUTH WALES</b>					
<b>Hughes</b>					
Holsworthy – Interim Special Forces Works	4,100	3,100	1,000	1,000	-
<b>Lindsay</b>					
Orchard Hills Encanister Decanister Facility <sup>(1)</sup>	4,500	-	-	2,700	2,700
<b>Macquarie</b>					
Richmond – RAAF Richmond – Fuel Farm Upgrade <sup>(2)</sup>	4,600	295	2,000	4,305	2,305
Richmond – RAAF Richmond – Upgrade Liquid Oxygen Compound	590	-	430	590	160
<b>Paterson</b>					
Williamstown – RAAF Williamstown – Childcare Centre <sup>(2)</sup>	3,839	328	1,600	3,511	1,911
Williamstown – Advanced Short Range Air-to-Air Missile/Captive Air Test Module Facility	1,000	20	700	941	241
Williamstown - RAAF Williamstown – Lead-In Fighter Hangar <sup>(2)</sup>	1,115	865	300	100	-200
<b>Sydney</b>					
Sydney - Victoria Barracks- Building 110 Extension	2,200	-	1,350	2,103	753
<b>Total New South Wales</b>	<b>21,944</b>	<b>4,608</b>	<b>7,380</b>	<b>15,250</b>	<b>7,870</b>

Capital Budget

<b>Program of Medium Works (State, Federal Electorate and Locality)</b>	<b>Total Estimated Expenditure \$'000</b>	<b>Cumulative Expenditure to 30 June 2004 \$'000</b>	<b>Budget Estimate 2004-05 \$'000</b>	<b>Revised Estimate 2004-05 \$'000</b>	<b>Variation \$'000</b>
<b>VICTORIA</b>					
<b>Corio – Medium Works</b>					
Geelong – Construction of Army Multi-User Depot	4,250	172	3,800	1,000	-2,800
<b>Flinders</b>					
HMAS Cerberus – Weapons Training Simulation System	1,400	37	1,370	1,363	-7
<b>Gippsland</b>					
East Sale – East Sale Child-Care Centre	1,800	204	1,500	1,500	-
<b>Indi</b>					
Bandiana – Simulated Training Facility <sup>(3)</sup>	909	300	909	0	-909
Latchford Barracks – Weapons Training Simulation System <sup>(1)</sup>	1,600	-	-	1,600	1,600
<b>Lalor</b>					
Laverton – RAAF Band – Training and Rehearsal Facility	4,100	37	1,000	170	-830
Laverton – Defence International Training Centre	2,440	86	2,300	850	-1,450
<b>McEwen</b>					
Puckapunyal – Puckapunyal Child-Care Centre <sup>(2)</sup>	3,066	223	2,500	2,813	313
Puckapunyal – Regional Training and Simulation Centre	2,200	186	150	150	-
Puckapunyal – Australian Light Armoured Vehicle Mission Essential Training Facility	3,560	55	3,450	1,060	-2,390
<b>Total Victoria</b>	<b>25,325</b>	<b>1,300</b>	<b>16,979</b>	<b>10,506</b>	<b>-6,473</b>
<b>QUEENSLAND</b>					
<b>Brisbane</b>					
Enoggera – Critical Infrastructure Upgrade	3,200	-	3,160	3,000	-160
Enoggera – Australian Light Armoured Vehicle Workshops	4,500	-	2,250	2,250	-
<b>Groom</b>					
Oakey – Museum of Australian Army Flying <sup>(1)</sup>	1,000	-	-	1,000	1,000
<b>Herbert</b>					
Townsville – Lavarack Barracks – Helicopter Underwater Escape Training Facility <sup>(4)</sup>	1,935	15	2,400	500	-1,900
Townsville – Lavarack Barracks – Regional Training Centre (Flexible Learning)	3,850	161	3,500	3,500	-
Townsville – Combat Training Centre (Live Simulation Range Storage and Maintenance Facility)	2,800	-	2,500	1,800	-700
Townsville – Special Operations Forward Mounting Facility	1,400	-	1,400	1,400	-
Townsville – Lavarack Barracks Frontline Redevelopment of Western Mess <sup>(1)</sup>	341	-	-	341	341
Mount Stuart – Training Area Grenade Range	400	-	350	400	50
<b>Total Queensland</b>	<b>19,426</b>	<b>176</b>	<b>15,560</b>	<b>14,191</b>	<b>-1,369</b>
<b>SOUTH AUSTRALIA</b>					
<b>Bonython</b>					
Edinburgh – DSTO Hybrid Torpedo Simulator Facility <sup>(2)</sup>	1,573	1,572	10	1	-9
Edinburgh – DSTO Virtual Ship Facility <sup>(2)</sup>	903	846	10	2	-8

<b>Program of Medium Works (State, Federal Electorate and Locality)</b>	<b>Total Estimated Expenditure</b>	<b>Cumulative Expenditure to 30 June 2004</b>	<b>Budget Estimate 2004-05</b>	<b>Revised Estimate 2004-05</b>	<b>Variation</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Edinburgh – Relocation of Defence Materiel Organisation Over the Horizon Radar Systems Program Office	5,039	4,433	470	560	90
Edinburgh – Corporate Services and Infrastructure Centre	2,850	2,469	30	30	-
Edinburgh – DSTO Surveillance Analysis Centre	1,310	1,088	390	390	-
Edinburgh – Aircraft Signature Turntable	1,132	27	1,090	1,092	2
<b>Total South Australia</b>	<b>12,807</b>	<b>10,435</b>	<b>2,000</b>	<b>2,075</b>	<b>75</b>

**WESTERN AUSTRALIA****Brand**

Garden Island – HMAS Stirling – Periscope Workshop Facility <sup>(2)</sup>	3,781	3,457	540	250	-290
Garden Island – HMAS Stirling – Wharf Services Upgrade	5,850	2,399	3,000	2,800	-200
Garden Island – HMAS Stirling – DSTO Submarine and Surface Combatants Science and Technology Facility Extension	2,895	2,365	100	46	-54
Garden Island – HMAS Stirling – Training Unit Anzac Ship Support Centre <sup>(2)</sup>	5,330	1,934	4,400	3,000	-1,400
Garden Island – HMAS Stirling – Guided Weapons Maintenance Facility <sup>(2)</sup>	3,512	-	1,600	3,200	1,600
Garden Island – HMAS Stirling – Joint Ammunition Logistic Organisation West Office Accommodation	1,500	-	1,500	1,500	-
Garden Island - HMAS Stirling – Weapons Training Simulation System	1,400	37	1,370	1,363	-7
<b>Curtin</b>					
Irwin Barracks – Weapons Training Simulation System <sup>(1)</sup>	1,600	-	-	1,600	1,600
Swanbourne – Extension to Headquarters Building Campbell Barracks <sup>(2)</sup>	3,610	239	2,400	2,917	517
<b>Kalgoorlie</b>					
Taylor Barracks – Training Accommodation	750	-	750	300	-450
<b>Total Western Australia</b>	<b>30,228</b>	<b>10,431</b>	<b>15,660</b>	<b>16,976</b>	<b>1,316</b>

**NORTHERN TERRITORY****Lingiari**

Bathurst Island – Tactical Air Defence Radar System	4,486	14	3,880	3,880	-
Katherine – RAAF Tindal – Vehicle Shelters	1,430	465	830	830	-
Katherine – RAAF Tindal – Advanced Medium Range Air-to-Air Missile/Advanced Short Range Air-to-Air Missile Secure Facility <sup>(5)</sup>	1,600	-	1,620	1,600	-20

**Solomon**

Darwin – Married Quarters Electrical Upgrade <sup>(2)</sup>	4,850	246	3,000	4,000	1,000
Darwin – Special Operations Forward Mounting Facility	2,500	-	2,500	2,500	-
Darwin – 1 <sup>st</sup> Brigade Military Operations in Urban Terrain <sup>(4)</sup>	4,800	-	3,000	-	-3,000
Darwin – 1 <sup>st</sup> Brigade Small Team Skills Training Facility <sup>(1)</sup>	850	250	250	500	250

## Capital Budget

<b>Program of Medium Works (State, Federal Electorate and Locality)</b>	<b>Total Estimated Expenditure \$'000</b>	<b>Cumulative Expenditure to 30 June 2004 \$'000</b>	<b>Budget Estimate 2004-05 \$'000</b>	<b>Revised Estimate 2004-05 \$'000</b>	<b>Variation \$'000</b>
Darwin – Vehicle Shelters	2,475	850	1,470	1,470	-
Darwin – Robertson Barracks Security Upgrade	1,900	1,245	900	600	-300
Darwin – Darwin Naval Base - Extension of Wharf <sup>(1)</sup>	5,530	-	-	3,000	3,000
Shoal Bay – Receiving Station Refurbishment <sup>(1)</sup>	3,300	-	-	3,000	3,000
<b>Total Northern Territory</b>	<b>33,721</b>	<b>3,070</b>	<b>17,450</b>	<b>21,380</b>	<b>3,930</b>
<b>AUSTRALIAN CAPITAL TERRITORY</b>					
<b>Fraser</b>					
Jervis Bay – Remediation of Mary Creek	1,100	157	300	300	-
<b>Canberra</b>					
Russell Offices – Passive Defence Works	3,600	2,067	1,500	1,500	-
Federation Guard Facilities <sup>(1)</sup>	4,200	-	-	100	100
<b>Total Australian Capital Territory</b>	<b>8,900</b>	<b>2,224</b>	<b>1,800</b>	<b>1,900</b>	<b>100</b>
<b>OTHER</b>					
Air Traffic Control Systems – Various Locations	3,258	2,936	320	320	-
<b>Total Other</b>	<b>3,258</b>	<b>2,936</b>	<b>320</b>	<b>320</b>	<b>-</b>
<b>TOTAL</b>	<b>155,709</b>	<b>35,180</b>	<b>77,149</b>	<b>82,598</b>	<b>5,449</b>

### Notes

1. Project approved since the portfolio budget statements.
2. Increase in outturn cost.
3. Project deferred.
4. Project delayed due to environmental approval.
5. Decrease in outturn cost.

## Status of Proposed Medium Capital Projects for Departmental Approval in 2004-05

The following table lists new medium capital facilities projects foreshadowed for departmental approval in 2004-05.

**Table 3.5: Proposed Medium Capital Facilities Projects for Departmental Approval in 2004-05**

<b>Program of Medium Works (State, Federal Electorate and Locality)</b>	<b>Status</b>
<b>NEW SOUTH WALES</b>	
<b>Hughes</b>	
Defence Police Training Centre	Approval may not be until 2005-06
Holsworthy – Child-Care Centre	Unapproved
<b>North Sydney</b>	
HMAS Waterhen – Relocation Mine Warfare and Clearance Divers Systems Program Office	Unapproved
<b>Paterson</b>	
RAAF Williamtown – Aircraft Rinse Facility	Unapproved
<b>Sydney</b>	
Garden Island – Royal Australian Navy – Heritage Centre	Unapproved
<b>Warringah</b>	
Military Law Centre	Approval may not be until 2005-06

**QUEENSLAND****Herbert**

RAAF Townsville – Base Training and Support  
Lavarack Barracks – Dental Centre

Unapproved  
Now being delivered as part of Lavarack  
Barracks Redevelopment Stage 3

**Kennedy**

Townsville – Field Training Area Air Weapons Range

Unapproved

**NORTHERN TERRITORY****Solomon**

RAAF Darwin – Fuel Equipment Maintenance Section Facility

Unapproved

**AUSTRALIAN CAPITAL TERRITORY****Fraser**

Majura Services Development  
HMAS Creswell – Modernisation of School of Survivability and  
Ship Safety

Unapproved  
Now a component of the HMAS Creswell  
Redevelopment project

**OTHER CAPITAL PURCHASES (+\$154.2m)**

Other capital purchases have increased by \$154.2m to \$626.8m since the budget. Reasons for the variation include:

- price increases (+\$3.5m);
- reclassification of expenditure associated with purchasing additional repairable items, following decisions to buy new items rather than pursue uneconomical repairs (+81.1m);
- reclassification of funding for management information systems projects which were incorrectly categorised in the budget(+\$49.4m); and
- reclassification of funds for Air Force which were incorrectly categorised in the budget (+\$10.0m).

**CAPITAL RECEIPTS (Nil)**

The Capital Receipts program comprises proceeds from property sales which are returned to the Government in the form of equity and proceeds from the sale of specialist military equipment, commercial vehicles and other plant and equipment items retained by Defence. Details are shown in Table 3.6. While there has been a nil variation overall since the budget, the expected proceeds from the sale of land and buildings has reduced by \$24.5m but this is offset by a corresponding reduction in the level of capital withdrawal from Defence, for the same reason.

**Table 3.6: Capital Receipts**

Group/Item Description	Budget Estimate 2004-05	Revised Estimate 2004-05	Variation
	\$000	\$000	\$000
<b>Property Sales</b>			
Proceeds from the sale of land and buildings	164,500	140,000	-24,500
Less Capital withdrawal (DoFA requirement)	-139,000	-114,500	24,500
Proceeds retained by Defence	25,500	25,500	-
Proceeds from sale of specialist military equipment	5,770	5,770	-
Proceeds from sale of other property, plant and other equipment	60,710	60,710	-
<b>Net Capital Receipts</b>	<b>91,980</b>	<b>91,980</b>	<b>-</b>