

**DEFENCE**  
**CHAPTER THREE**  
**CAPITAL INVESTMENT PROGRAM**

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## OVERVIEW

The Capital Investment Program is comprised of:

- The Defence Capability Plan;
- The Approved Major Capital Investment Program;
- The Capital Facilities Program;
- Other Capital Purchases; and
- Capital Receipts.

In accordance with Australian Accounting Standards, the Defence Capital Investment Program includes expenditure that is classified as capital (it involves asset purchases that are brought onto the balance sheet) and operating costs which are incurred in developing and managing projects (these costs are expensed in the income statement as they are incurred). For this reason, both the capital and operating components of the Capital Investment Program are shown in this chapter to ensure the total cost of the program is made transparent.

The Capital Investment Program, including capital receipts, has decreased by \$60.8m to \$4,509.4m since the Budget. The overall variation is more than accounted for by the reduction in the Major Capital Facilities program. The Major Capital Equipment program covering both the Defence Capability Plan and the Approved Major Capital Investment Program remains relatively unchanged since the budget when the transfer of approved projects from the Defence Capability Plan to Defence Materiel Organisation for their acquisition phase is taken into account. Details are shown in Table 3.1.

**Table 3.1: Variation in the Capital Investment Program 2005-06**

Group/Item Description	Budget Estimate 2005-06	Revised Estimate 2005-06	Variation
	\$m	\$m	\$m
Capital Component	152.8	0.0	-152.8
Operating Component	182.5	71.4	-111.1
<b>Defence Capability Plan <sup>(1)</sup></b>	<b>335.3</b>	<b>71.4</b>	<b>-263.9</b>
Capital Component	2,813.6	2,969.8	156.2
Operating Component	416.4	515.3	98.9
<b>Approved Major Capital Program <sup>(2)</sup></b>	<b>3,230.0</b>	<b>3,485.1</b>	<b>255.1</b>
Capital Component	423.9	305.2	-118.7
Operating Component	23.2	41.2	18.0
<b>Capital Facilities Program <sup>(3)</sup></b>	<b>447.1</b>	<b>346.4</b>	<b>-100.7</b>
Other Capital Equipment <sup>(4)</sup>	582.7	631.3	48.6

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Group/Item Description	Budget Estimate 2005-06	Revised Estimate 2005-06	Variation
	\$m	\$m	\$m
Total Capital Component	3,973.0	3,906.4	-66.7
Total Operating Component	622.1	628.0	5.9
<b>Total Capital Investment Program</b>	<b>4,595.1</b>	<b>4,534.3</b>	<b>-60.8</b>
<b>Net Capital Receipts <sup>(5)</sup></b>	<b>-24.9</b>	<b>-24.9</b>	<b>0.0</b>
<b>Total Capital</b>	<b>4,570.2</b>	<b>4,509.4</b>	<b>-60.8</b>

**Notes**

1. See further details at p.47.
2. See further details at p.49.
3. See further details at p.50.
4. See further details at p.62.
5. See further details at Table 3.7.

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

## **DEFENCE CAPABILITY PLAN (-\$263.9M)**

As projects receive second pass approval by Government, they are transferred to the Defence Materiel Organisation for their acquisition phase. Consequently, the Defence Capability Plan has progressively decreased by \$263.9m since the budget. Reasons for the progressive reduction include:

- progressive transfers to the Approved Major Capital Investment Program of those projects that have been approved since the 2005-06 Defence Budget. These projects will spend a total of \$196.1m in 2005-06 including \$156.8m which has been transferred to the Defence Materiel Organisation (-\$196.1m);
- the reallocation of funds arising from slippage in Major Capital Facilities projects to the Defence Capability Plan (+\$80.0m);
- the reprogramming of funding, with Government approval, to 2006-07 to allow for timing issues associated with the purchase of the AEGIS system for the Air Warfare Destroyer (-\$159.0m);
- an increase in funding for projects relating to the Collins Class Submarine (+\$8.0m); and
- price and foreign exchange adjustments (+\$3.2m).

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

Major projects approved by the Government since the *Portfolio Budget Statements 2005-06* include:

#### **Second-Pass Approval**

- Airborne Surveillance for Land Operations (JP 129 Phase 2)
- Air Warfare Destroyer – Aegis System (SEA 4000 Phase 3.1)
- ANZAC Anti Ship Missile Defence Upgrade – Fire Control Radar (SEA 1448 Phase 2B)
- Automated Identification Technologies (JP 2077 Phase 2C)
- Aviation Fire Trucks (JP 2095 Phase 1)
- Follow-On Stand-Off Weapon (AIR 5418 Phase 1)
- Joint Combined Training Centre (JP 2098 Phase 1)

## **First-Pass Approval**

- Improved Logistics Information Systems (JP 2077 Phase 2B)
- Air Warfare Destroyer including the conduct of a Design Activity (SEA 4000 Phase 2)
- Amphibious Deployment and Sustainment (JP 2048 Phase 4A/4B)
- Battlefield Command Support System (LAND 75 Phase 3.4)
- CEA AUSPAR - Further Development (SEA 1448 Phase 3 - previously named as SEA 4000 Phase 5B)
- Defence Management Systems Improvement (JP 2080 Phase 2B)
- Soldier Enhancement Version Two (LAND 125 Phase 3)
- Weapon Locating Radar Life of Type Extension (LAND 58 Phase 3)

## **THE APPROVED MAJOR CAPITAL EQUIPMENT PROGRAM (+\$255.1M)**

The Approved Major Capital Investment Program has increased by \$255.1m to \$3,485.1m since the budget. Reasons for the variation include:

- transfers from the Defence Capability Plan of projects approved since the 2005-06 Budget including \$156.4m transferred to the Defence Materiel Organisation (+\$196.1m);
- price and foreign exchange adjustments (+\$43.4m);
- transfer of funding to the Capital Facilities Program for facilities associated with approved capital equipment projects (-\$23.0m);
- net additional funding for Operation Slipper (+\$21.4m); and
- other net variations to several projects that are largely budget neutral (+\$17.2m).

An overview of the top 30 projects in the Approved Major Capital Investment program can be found in Section Two – Defence Materiel Organisation.

## CAPITAL FACILITIES PROJECTS (-\$100.7M)

The major capital facilities program has decreased by \$100.7m to \$346.4m since the budget. Reasons for the variation include:

- redirection of funding to the Defence Capability Plan due to slippage in the Holsworthy Special Operations Working Accommodation and Base Redevelopment Stage 1 (-\$80.0m);
- slippage of funds into 2006-07 due to delays in the development of unapproved projects for Departmental/Government approval (-\$45.0m);
- transfers of funds from the Approved Major Capital Investment Program for the facilities components of the Armed Reconnaissance Helicopter and Airborne Early Warning and Control projects (+23.0m); and
- other net variations including price adjustments (+\$1.3m).

### Approved Major Capital Facilities Projects

The following information provides details of revised estimated expenditure in 2005-06 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	Cumulative Expenditure to 30 June 2005	2005-06 Budget Estimate	2005-06 Additional Estimate	Variation
	\$m	\$m	\$m	\$m	\$m
<b>NEW SOUTH WALES</b>					
<b>Gilmore</b>					
Nowra: HMAS Albatross Base Redevelopment	110.3	104.9	3.5	5.0	1.5
<b>Hughes</b>					
Holsworthy: Special Forces Training Facilities	79.6	23.0	50.0	45.0	-5.0
Special Operations Working Accommodation and Base Redevelopment Stage 1 <sup>(1)</sup>	207.7	-	-	3.0	3.0
<b>Kingsford Smith</b>					
Randwick: Disposal and Rationalisation – interim works	8.8	3.7	4.5	2.0	-2.5
<b>Macquarie</b>					
Richmond: RAAF Richmond Reinvestment	35.0	24.5	10.2	8.5	-1.7
<b>Parramatta</b>					
Ermington: pre-disposal site works	33.1	16.3	7.5	7.5	0
<b>Paterson</b>					
Williamtown: RAAF Williamtown Redevelopment Stage 1 and Airborne Early Warning and Control Works	129.2	45.2	27.5	51.0 <sup>(2)</sup>	23.5
<b>Riverina</b>					
RAAF Wagga: College Relocation <sup>(1)(3)</sup>	(3)	(3)	(3)	(3)	(3)
<b>Total New South Wales</b>	<b>603.7</b>	<b>217.6</b>	<b>103.2</b>	<b>122.0</b>	<b>18.8</b>



Capital Facilities Projects

Program of Major Works (by State, Federal Electorate and Locality)	Total Estimated Expenditure	Cumulative Expenditure to 30 June 2005	2005-06 Budget Estimate	2005-06 Additional Estimate	Variation
	\$m	\$m	\$m	\$m	\$m
<b>VICTORIA</b>					
<b>Melbourne Ports</b>					
Fishermans Bend: relocation of Defence Science and Technology Organisation Platforms Sciences Laboratory	106.2	52.1	20.0	10.0	-10.0
<b>Gippsland</b>					
RAAF East Sale: College Relocation <sup>(1)(3)</sup>	133.4	-	-	7.0	7.0
<b>Total Victoria</b>	<b>239.6</b>	<b>52.1</b>	<b>20.0</b>	<b>17.0</b>	<b>-3.0</b>
<b>QUEENSLAND</b>					
<b>Herbert</b>					
Townsville: Lavarack Barracks Redevelopment Stage 3	171.1	166.6	6.5	4.0	-2.5
<b>Blair</b>					
Amberley: Base Redevelopment Stage 2 <sup>(1)</sup>	285.6	-	-	25.0	25.0
Canungra: Kokoda Barracks Redevelopment <sup>(1)</sup>	86.7	-	-	16.0	16.0
<b>Total Queensland</b>	<b>543.4</b>	<b>166.6</b>	<b>6.5</b>	<b>45.0</b>	<b>38.5</b>
<b>SOUTH AUSTRALIA</b>					
<b>Wakefield</b>					
Edinburgh: Defence Science and Technology Organisation Edinburgh - extension to Joint Electronic Warfare Building	19.9	5.6	11.7	11.7	-
Port Wakefield: Ordnance Breakdown Facility <sup>(1)</sup>	8.4	0.6	-	5.0	5.0
<b>Total South Australia</b>	<b>28.3</b>	<b>6.2</b>	<b>11.7</b>	<b>16.7</b>	<b>5.0</b>
<b>NORTHERN TERRITORY</b>					
<b>Lingiari</b>					
Timber Creek: Bradshaw Field Training Area Infrastructure	64.8	33.6	23.0	24.7	1.7
<b>Solomon</b>					
Darwin: the 1 <sup>st</sup> Aviation Regiment Relocation	82.0	47.6	31.8	32.0	0.2
Darwin Naval Base: Patrol Boat Facilities <sup>(1)</sup>	19.2	1.9	3.8 <sup>(4)</sup>	6.0	2.2
<b>Total Northern Territory</b>	<b>166.0</b>	<b>83.1</b>	<b>58.6</b>	<b>62.7</b>	<b>4.1</b>
<b>TOTAL</b>	<b>1,581.0</b>	<b>525.6</b>	<b>200.0<sup>(4)</sup></b>	<b>263.4</b>	<b>63.4</b>

**Notes**

1. Project approved subsequent to *Portfolio Budget Statements 2005-06*.
2. Includes funds transfer of \$19.0m from Defence Capability Plan.
3. RAAF College Relocation Wagga /East Sale has a budget of \$133.4m covering the two locations, RAAF East Sale and RAAF Wagga.
4. \$3.8m transferred from Darwin Naval Base in Table 3.7 of the *Portfolio Budget Statements 2005-06* (p.82).

The descriptions of major capital facilities projects remains as reported in the *Portfolio Budget Statements 2005-06* except for the following information.

## **New South Wales**

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

This project provides facilities to support a full-time Commando capability; the Tactical Assault Group (East); the Incident Response Regiment; and Special Operations Command elements along with the supporting upgrade of base infrastructure. Construction is expected to commence on high-priority work packages in early 2006 and be complete by late 2008.

This project contributes to Army capability.

### **RAAF College Relocation – East Sale and Wagga**

This project will relocate the RAAF College from RAAF Williams (Point Cook) and RAAF Edinburgh to RAAF East Sale and RAAF Wagga. The project will provide working, training and living-in accommodation for headquarters, administrative staff and students. Construction commenced in December 2005 with a completion target of mid-2008.

This project contributes to Air Force capability.

## **Victoria**

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

The variation between the budget and additional estimates for this project is due to delays in sourcing contractors who are compliant with the National Code of Practice for the construction industry.

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

## **Queensland**

### **Amberley – RAAF Base Amberley Redevelopment Stage 2**

This project will provide new facilities to support the relocation of 9<sup>th</sup> Force Support Battalion and the Multi Role Tanker Transport to RAAF Amberley. It will include upgrading the base's trunk engineering services. The works to support the relocation of 9<sup>th</sup> Force Support Battalion include workshops, administration buildings, hardstands and vehicle shelters. The works for the multi-role tanker transport aircraft include construction of administration buildings, airfield pavement upgrades, maintenance facilities and the provision of hydrant refuelling. The engineering services works will include refurbishment and upgrading of the electrical reticulation, trunk communications, water, stormwater, and sewerage infrastructure. Construction is scheduled to commence in early 2006 and has a target completion date of early 2008.

This project contributes to Army and Air Force capabilities.

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

This project will provide upgraded training and mess facilities, working accommodation, and living-in accommodation for the Army training units located at Kokoda Barracks, Canungra. The project also includes the upgrading of infrastructure services. Construction commenced in December 2005 and has a target completion date of late 2007.

This project contributes to Army capability.

### **South Australia**

#### **Wakefield – Port Wakefield Ordnance Breakdown Facility**

This project will provide a new facility for the breakdown and analysis of ammunition and ordnance. The project will deliver buildings and supporting infrastructure with associated upgrades to security and range control facilities. Construction will commence in early 2006 and is expected to be completed by the end of 2006.

This project contributes to Navy, Army and Air Force 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. The Public Works Committee agreed to commencement of wharf works as a separate project prior to consideration of the total package. The medium project has now been subsumed into the major project. Construction has commenced 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 boat. The project is due for completion by the end of 2006.

This project contributes to Navy capability.

## Status of Major Capital Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2005-06

During 2005-06, Defence expects to present further proposals to the Government and then to the Parliamentary Standing Committee on Public Works for a number of facilities projects. Table 3.3 provides details of the proposed major capital projects approved or expected for referral and consideration in 2005-06.

**Table 3.3: Proposed Major Capital Projects for Government and Parliamentary Consideration in 2005-06**

Program of Major Works (by state, federal electorate and locality)	Referral Date	Indicative Hearing Date	Current Status
<b>NEW SOUTH WALES</b>			
<b>Hughes</b>			
Holsworthy:			
Special Operations Working Accommodation and Base Redevelopment Stage 1	May 2005	10 June 2005	Approved
Relocation of 171 Aviation Squadron	October 2005	12 December 2005	Awaiting outcome
<b>VICTORIA</b>			
<b>Jagajaga</b>			
Watsonia:			
Defence Force School of Signals	March 2006	August 2006	In development
<b>QUEENSLAND</b>			
<b>Blair</b>			
Amberley:			
RAAF Amberley – Relocation of 9th Force Support Battalion	June 2005	9 September 2005	Approved
RAAF Amberley – Engineering Services Upgrade	June 2005	9 September 2005	Approved
Construction of facilities for the Multi Role Tanker Transport Aircraft	June 2005	9 September 2005	Approved
Forde			
Canungra:			
Kokoda Barracks Redevelopment	May 2005	20 July 2005	Approved
<b>Leichhardt</b>			
Cairns:			
HMAS Cairns Redevelopment	March 2006	April 2006	In development
<b>SOUTH AUSTRALIA</b>			
<b>Wakefield</b>			
Port Wakefield:			
Ammunition Facility	February 2005	21 April 2005	Approved
<b>NORTHERN TERRITORY</b>			
<b>Solomon</b>			
Darwin:			
Darwin Naval Base - Patrol Boat Facilities	May 2005	19 July 2005	Approved
RAAF Darwin Redevelopment Stage 2	March 2006	July 2006	In development

<b>Program of Major Works (by state, federal electorate and locality)</b>	<b>Referral Date</b>	<b>Indicative Hearing Date</b>	<b>Current Status</b>
Robertson Barracks – Redevelopment	March 2006	June 2006	In development
<b>OTHER</b>			
<b>Gippsland and Riverina</b>			
East Sale & Wagga Wagga:			
RAAF Colleges	July 2005	16 September 2005	Approved
<b>MALAYSIA</b>			
RAAF Butterworth Headquarters Rationalisation	May 2006	August 2006	In development

The descriptions of proposed major capital facilities projects remain as reported in the *Portfolio Budget Statements 2005-06* except for the following information.

## **New South Wales**

### **Relocation of 171 Aviation Squadron**

This project will relocate 171 Aviation Squadron from Townsville to Holsworthy. The scope of work has been approved by the Government and the proposal was considered by the Parliamentary Works Committee in December 2005. Subject to Parliamentary clearance, construction is expected to commence in mid-2006 and be completed by mid-2008. Interim facilities will be available for the unit in early 2007.

This project contributes to Army capability.

## **Victoria**

### **Watsonia – Defence Force School of Signals**

This project will provide new working facilities, improved security arrangements and updated living-in accommodation for the Defence Force School of Signals at Simpson Barracks. The scope is being refined in a detailed business case to be presented for consideration by the Government in March 2006. Subject to approval, construction is expected to commence in mid-2006 and be completed in 2008.

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

## **Queensland**

### **Cairns – HMAS Cairns – Redevelopment**

This project will provide a combination of new and refurbished facilities to accommodate a full range of operational and support functions at HMAS Cairns including appropriate berthing space and shore services to accommodate all vessels to be home-ported at HMAS Cairns. The proposed facilities will also enable HMAS Cairns to provide support for all Navy vessels operating in far north Queensland and the Armidale-class patrol boat as it is introduced into service. The scope is being refined in a detailed business case to be presented for consideration by the Government in early 2006. Subject to approval, construction is expected to commence in the second half of 2006 and be completed in 2009.

This project contributes to Navy capability.

## **Northern Territory**

### **Darwin – RAAF Darwin Redevelopment Stage 2**

This project will provide upgrades to existing facilities including fuel farms, workshops, fitness centre, airfield lighting and a new logistics headquarters. The scope is still being refined in a detailed business case to be presented for Government consideration in early 2006. Subject to approval, construction is expected to commence in 2008. The target completion date is late 2010.

This project contributes to Air Force capability.

### **Darwin – Robertson Barracks Redevelopment**

This project will provide new and upgraded facilities for training, emergency response, working accommodation and equipment support. The scope is still being refined in a detailed business case to be presented for Government consideration in early 2006. Subject to approval, construction is expected to commence in mid-2007. The target completion date is late 2008.

This project contributes to Army capability.

## **Malaysia**

### **Butterworth – Australian Defence Force Headquarters Rationalisation**

This project will replace working accommodation for ADF units at RAAF Butterworth. Subject to approval, construction is expected to commence in late 2006 and be completed by early 2008.

This project contributes to Army and Air Force capabilities.

## **Approved project being developed for Private Financing Arrangements**

### **New South Wales**

#### **Eden-Monaro – Headquarters Joint Operations Command (formerly Headquarters Australian Theatre)**

The Headquarters Joint Operations Command Project will bring together the Chief of Joint Operations and strategic staff located in Canberra with the Sydney-based Deputy Chief of Joint Operations, joint staff and operations, plans, intelligence, logistics, personnel and other staffs of the Environmental Commands into an integrated staff structure at a headquarters facility to be constructed approximately 11 kilometres south west of Bungendore, New South Wales.

To date, Government and Parliamentary approval has been received for Defence to invite tenders to deliver the building, infrastructure and services components of the project under private financing arrangements, subject to value for money. Tenderers have been invited to revise their tender responses to meet the reduction in staff required at the new headquarters flowing from the recent review of ADF higher command and control. Tender evaluation is expected to be completed in early 2006. Development approval under the *Environment Protection and Biodiversity Conservation Act 1999* has been obtained. The recommendation of the preferred tenderer will be considered by the Government in early 2006, to be followed by contract finalisation and the commencement of the delivery of the project.

The headquarters will represent an investment at an estimated cost of \$318m (2003-04 out-turned prices) in buildings, infrastructure, fit-out, land acquisition, and the command, control, communications, computing and intelligence systems.

A traditional (or direct) procurement strategy will be used to acquire, install and maintain the command, control, communications, computing and intelligence systems.

This project contributes to Command of Operations capability.

#### **Geographical Dispersion of Command Elements**

Joint Operations Command is a geographically dispersed organisation with components located throughout Australia. Physical integration of command and control elements from the current Joint Operations Command will occur at the completion of the new Headquarters Joint Operations Command facility near Bungendore, New South Wales in mid-2008.

## **Other Major Capital Facilities Projects foreshadowed for 2005-06**

### **Defence Site Platypus Contamination Remediation**

The Government announced in 2004 that the site of the former HMAS Platypus in Neutral Bay, Sydney, New South Wales, will be transferred to the Sydney Harbour Federation Trust for conservation for future generations. Defence will make a contribution to the cost of remediating contamination at the site.

## Approved Medium Capital Facilities Projects

The following table details revised estimated expenditure in 2005-06 for medium facilities projects.

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

	Total Estimated Expenditure	Cumulative Expenditure to 30 June 2005	2005-06 Budget Estimate	2005-06 Additional Estimates	Variation
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NEW SOUTH WALES</b>					
<b>Hughes</b>					
Holsworthy:					
Interim Special Forces Works <sup>(1)</sup>	5,500	2,541	-	2,800	2,800
1 Commando Company – Interim Relocation <sup>(2)</sup>	963 <sup>(3)</sup>	-	-	1,100	1,100
<b>Lindsay</b>					
Orchard Hills:					
Encanister-Decanister Facility	4,500	2,098	1,800	2,000	200
<b>Macquarie</b>					
RAAF Richmond:					
Fuel Farm Upgrade	4,640 <sup>(4)</sup>	3,461	600	1,400	800
<b>Paterson</b>					
RAAF Williamtown:					
Hornet Upgrade Facilities	808 <sup>(4)</sup>	32	300	790	490
Tactical Air Defence Radar System Vehicle Shelters	1,200 <sup>(4)</sup>	46	300	900	600
<b>Sydney</b>					
Garden Island:					
Navy Heritage Centre	5,500	3,059	2,000	2,400	400
<b>Total New South Wales</b>	<b>23,111</b>	<b>11,237</b>	<b>5,000</b>	<b>11,390</b>	<b>6,390</b>
<b>VICTORIA</b>					
<b>Corio</b>					
Geelong:					
Construction of Army Multi-User Depot	4,250	173	3,750	1,800	-1,950
<b>Gippsland</b>					
East Sale:					
East Sale Childcare Centre	3,564	2,505	500	600	100
<b>Indi</b>					
Latchford Barracks:					
Weapons Training Simulation System	1,600	1,339	850	210	-640
<b>Lalor</b>					
RAAF Williams:					
Defence International Training Centre	3,205 <sup>(4)</sup>	914	2,100	2,100	-
RAAF Band Training and Rehearsal Facility	4,100	37	2,000	-	-2,000
<b>McEwen</b>					
Puckapunyal:					
Australian Light Armoured Vehicle Mission Essential Training Facility	3,560	2,170	700	700	-



	<b>Total Estimated Expenditure</b>	<b>Cumulative Expenditure to 30 June 2005</b>	<b>2005-06 Budget Estimate</b>	<b>2005-06 Additional Estimates</b>	<b>Variation</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Regional Training and Simulation Centre	2,200	188	1,125	-	-1,125
<b>Total Victoria</b>	<b>22,479</b>	<b>7,326</b>	<b>11,025</b>	<b>5,410</b>	<b>-5,615</b>
<b>QUEENSLAND</b>					
<b>Brisbane</b>					
Enoggera:					
Bushmaster Critical Infrastructure Upgrade (formerly critical infrastructure upgrade)	3,200	340	2,139	2,785	646
Australian Light Armoured Vehicle Workshops	4,500	3,179	1,500	1,000	-500
<b>Groom</b>					
Oakey:					
Museum of Australian Army Flying	1,645 <sup>(5)</sup>	1,065	500	550	50
<b>Herbert</b>					
Lavarack Barracks:					
Helicopter Underwater Escape Training Facility	2,235 <sup>(4)</sup>	129	1,735	2,100	365
Combat Training Centre – Live Simulation, Range Instrumentation and Information System Maintenance and Storage Facility	2,800	761	1,000	1,500	500
RAAF Townsville:					
Base Training and Support Facility	5,300	51	4,700	4,800	100
<b>Kennedy</b>					
Townsville:					
Field Training Area Air Weapons Range	4,200	47	3,600	3,800	200
<b>Total Queensland</b>	<b>23,880</b>	<b>5,572</b>	<b>15,174</b>	<b>16,535</b>	<b>1,361</b>
<b>SOUTH AUSTRALIA</b>					
<b>Wakefield</b>					
Edinburgh:					
Aircraft Signature Turntable	1,900 <sup>(4)</sup>	1,570	670	100	-570
<b>Total South Australia</b>	<b>1,900</b>	<b>1,570</b>	<b>670</b>	<b>100</b>	<b>-570</b>
<b>WESTERN AUSTRALIA</b>					
<b>Brand</b>					
Garden Island:					
HMAS Stirling - Wharf Services Upgrade	5,830 <sup>(6)</sup>	4,124	1,400	1,600	200
<b>Curtin</b>					
Irwin Barracks:					
Weapons Training Simulation System	1,600	1,339	850	210	-640
<b>Total Western Australia</b>	<b>7,430</b>	<b>5,463</b>	<b>2,250</b>	<b>1,810</b>	<b>-440</b>

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	Total Estimated Expenditure	Cumulative Expenditure to 30 June 2005	2005-06 Budget Estimate	2005-06 Additional Estimates	Variation
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>NORTHERN TERRITORY</b>					
<b>Lingiari</b>					
Bathurst Island:					
Tactical Air Defence Radar System	5,800	3,255	1,500	2,400	900
Katherine:					
RAAF Tindal - Advanced Medium Range Air-to-Air Missile Secure Facility / Advanced Short Range Air-to-Air Missile	1,610	319	600	1,000	400
<b>Solomon</b>					
Darwin:					
Married Quarters Electrical Upgrade Special Operations Forward Mounting Facility	4,850	4,264	600	200	-400
	2,500	-	2,500	1,000	-1,500
<b>Total Northern Territory</b>	<b>14,760</b>	<b>7,838</b>	<b>5,200</b>	<b>4,600</b>	<b>-600</b>
<b>AUSTRALIAN CAPITAL TERRITORY</b>					
<b>Fraser<sup>(7)</sup></b>					
Federation Guard Facilities	4,200	1,631	800	2,000	1,200
<b>Total Australian Capital Territory</b>	<b>4,200</b>	<b>1,631</b>	<b>800</b>	<b>2,000</b>	<b>1,200</b>
<b>TOTAL</b>	<b>97,760</b>	<b>40,637</b>	<b>40,119<sup>(8)</sup></b>	<b>41,845</b>	<b>1,726</b>

**Notes:**

1. Project was erroneously omitted from *Portfolio Budget Statements 2005-06*.
2. Project commenced subsequent to the *Portfolio Budget Statements 2005-06*.
3. Awaiting approval to increase budget.
4. Increase in out-turn cost.
5. Total estimated expenditure was incorrectly reported in *Portfolio Budget Statements 2005-06* as \$5,850,000.
6. \$3.8m transferred to Approved Major Capital Facilities project (Darwin Naval Base) – refer Note 4 of Table 3.2.
7. Electorate incorrectly reported as Canberra in the *Defence Annual Report 2004-05*.
8. Total estimated expenditure incorrectly reported in the *Defence Annual Report 2004-05*.

## **Proposed Medium Capital Projects for Consideration in 2005-06**

All new medium capital facilities projects (costing between \$250,000 and \$6m) foreshadowed for consideration in 2005-06 in the *Portfolio Budget Statements 2005-06* are currently in development. In addition, the following new medium capital facilities projects have also been foreshadowed for consideration.

**Table 3.5: Proposed New Medium Capital Projects for Consideration in 2005-06**  
**Program of Medium Works (State, Federal Electorate and Locality)**

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### **NEW SOUTH WALES**

#### **Paterson**

RAAF Williamtown:

Noise Attenuation Works at Salt Ash and Williamtown Public Schools

### **VICTORIA**

#### **McEwen**

Puckapunyal:

Regional Weapons Storage and Minor Repair Facility

## OTHER CAPITAL PURCHASES (+\$48.6M)

Other capital purchases have increased by \$48.6m to \$631.3m since the budget. Details are shown at Table 3.6.

**Table 3.6: Variation in Other Capital 2005-06**

Group/Item Description	Budget Estimate 2005-06	Revised Estimate 2005-06	Variation
	\$m	\$m	\$m
Minor Capital	170.9	173.9	3.0
Repairable Items	252.4	277.0	24.6
Other Plant and Equipment	159.4	180.4	21.0
<b>Total Other Capital</b>	<b>582.7</b>	<b>631.3</b>	<b>48.6</b>

- The increase in Minor Capital is due to small variations across a number of minor capital projects.
- The variation in Repairable Items relates almost exclusively to additional funding for Operation Slipper.
- The variation in other plant and equipment relates primarily to a reclassification of estate upkeep funds from Supplier Expenses to other plant and equipment purchases.

## 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. A revised 2005-06 property sales program has been agreed by Government resulting in a reduction in expected proceeds of \$11.7m. This is offset by a corresponding reduction in the level of capital withdrawal from Defence. When these adjustments are taken into account, the estimate remains unchanged since the budget at \$24.9m. Details are shown in Table 3.7.

**Table 3.7: Variation in Capital Receipts 2005-06**

Group/Item Description	Budget Estimate 2005-06	Revised Estimate 2005-06	Variation
	\$m	\$m	\$m
<b>Property Sales</b>			
Proceeds from the sale of land and buildings	88.6	76.9	-11.7
Less Capital withdrawal to Government	70.2	58.5	-11.7
Proceeds retained by Defence	18.4	18.4	-
Proceeds from sale of Specialised Military Equipment	-	-	-
Proceeds from sale of other property, plant and Other equipment	6.5	6.5	-
<b>Net Capital Receipts<sup>(2)</sup></b>	<b>24.9</b>	<b>24.9</b>	<b>-</b>