



Monday 2 August 2021

Mr Andrew Wallace MP
Chair, Defence Sub-committee of the Joint Standing Committee
on Foreign Affairs, Defence and Trade
Parliament House
Canberra ACT 2600

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Gascoyne Gateway Limited (GGL) welcomes the opportunity to provide the following submission to the Defence Sub-committee's *Inquiry into the Department of Defence Annual Report 2019-20*. Of particular interest to GGL is the Sub-committee's consideration of issues *relating to the capability of the defence estate in north and north-western Australia*.

The strategic importance of Australia's northern and north-western defence bases, training areas and other infrastructure assets has been widely recognised in recent times as rising geo-political tensions have put a spotlight on the Indo-Pacific region. Maritime security and sustainment are clear priorities as Australia undertakes its naval fleet modernisation program that will see the fleet double in tonnage as more than \$170 billion is invested in future naval assets.

The purpose of this submission is to draw the Sub-committee's attention to the inadequacy of suitable operating locations or sustainment facilities to deliver military and border security capability along Australia's vast Indian Ocean coastline.

ROYAL AUSTRALIAN NAVY CAPABILITY

Recognising the necessity of a strategic sustainment hub for this coastline, Australian-owned Gascoyne Gateway Limited — which was founded by naval veterans — has set about to deliver a privately funded, single jetty, deep-water port and renewable energy hub 10km south of Exmouth in Western Australia's Gascoyne region.

While it is envisaged that the facility's viability will be supported by commercial operations and not exclusively reliant on Defence capability delivery, the multiple berth jetty is designed for up to 13.5 metres of draught and up to 900 metres of quay line to allow for the operation of every class of Royal Australian Navy (RAN) vessel and most allied vessels in service. GGL is committed to peerless environmental stewardship. Our world first 'green' port development aims to set a new benchmark in marine and terrestrial environmental management, while delivering strategically significant infrastructure for Australia's Indian Ocean coastline.

On 3 July 2020, the WA Premier, the Hon Mark McGowan MLA, formally recognised single jetty deep-water port as a 'Project of State Significance'. With that status, the project has been granted Lead Agency Status under the WA Department of Jobs, Tourism, Science and Innovation (JTSI). JTSI is now providing GGL with high-level advisory and support services to facilitate State Government approvals and development phases of the project. The shoreside



Gascoyne Gateway

support will include fuelling, lay-down areas, warehousing, bonded goods stores, stores, and operational support, and maintenance. It is intended to be Australia's first 'green' multi-user port and logistics facility, addressing a number of long-standing issues and concerns with respect to defence and border force maritime activities; tourism; and fuel logistics and storage industries in the north-west. The port and associated infrastructure will be powered from renewable sources. This power is being planned to augment town supplies and will ultimately support Exmouth to achieve its ambition to become one of the first regional towns in Western Australia run completely on renewables.

SOVEREIGN FUEL CAPABILITY

Exmouth township sits approximately 1,300 kilometres north of Perth and sits on the closest point of mainland Australia to Christmas and Cocos Keeling Islands; British Indian Ocean Territories (Diego Garcia); and Sunda Strait – one of our main ocean trading routes to Asia. The Naval Communications Station Harold E Holt (HEH) sits at the Northwest Cape, 25 kilometres north of the township and is home to the Very Low Frequency (VLF) radio transmission facility designed to communicate with both Australian and Allied submarines. The RAAF Learmonth air force 'bare base' is positioned 35 kilometres north of the township and shares facilities with the domestic airport terminal.

Until recently, all diesel fuel for the defence estate in Western Australia was until recently sourced from the closed refinery located in Kwinana, which produced 10-13 million litres consumed at RAAF Learmonth and Exmouth Domestic airport continues to be trucked 1,300 kilometres by road from imported storage. The 10-13 million litres of diesel fuel consumed annually at the HEH naval station is imported from overseas via a single-use tanker berth at the Navy Pier at Point Murat situated within the Ningaloo Coast World Heritage Marine Park. GGL understands that the Navy Pier is utilised approximately once each year to facilitate this transfer and the HEH tanks are replenished before cyclone season to ensure that sufficient stocks are maintained, to reduce operational risk. GGL understands that this risk has been previously realised when cyclones have damaged the storage facility and thus isolated the facility from resupply.

As naval and military exercises and other so-called 'posture initiatives' ramp up in the north of Australia's mainland and across the Indo-Pacific, a strategic rethinking of Australia's defence disposition, basing and inventory of required assets is timely.

GGL submits that the Exmouth port as proposed would offer unconstrained access to the Indian Ocean with no navigation channels and quick access to submarine optimal diving depths. Conversely, there appear to be very few viable alternatives for the navy's refuelling of warships between HMAS Stirling (650nm to the south) and Darwin (1450nm to the north-east). Moreover, the option of refuelling Collins Class submarines in Exmouth would likely extend operational patrol ranges by up to two weeks while providing more rapid deployment to critical waterways in archipelagic sea lanes to the north.

The Sub-committee may also wish to consider the national strategic fuel holdings and dispositions in the context of its deliberations on the capability and functions of the defence estate in Australia's north and north-west. In this regard, GGL's development proposal includes shoreside fuel infrastructure and storage that could be incorporated within a national and Defence fuel holdings framework.

One of the key features of the Gascoyne Gateway is the intention to deliver a 30-million litre fuel storage capability that is optimised to provide strategic holdings to meet and sustain the Australian Defence Force's (ADF) and Australian Border Force's (ABF) supply chain durability. It is envisaged that replenishment of fleet units, both from Australia and her security partners, could be conducted alongside prior to operations, and via consolidation fleet tankers offshore. The Australian Border Force would also benefit greatly from an option that offers 40 per cent in operational fuel and running maintenance cost savings over those currently borne from Darwin based operations.



Gascoyne Gateway

In the Gascoyne Gateway proposal there is tremendous potential for replenishment of fuel and ammunition; rest and recreation; expeditionary pre-positioning and warehousing; and low-level depot repair maintenance – particularly considering the commercial and military capabilities of the RAAF Learmonth runway and airfields.

The Gascoyne Gateway is expected to be completed at the beginning of 2025 and offers significant benefits to Australian sovereign fuel resilience while also providing unique opportunities for ADF and allied use for operational sustainment. Importantly, the company's concept design is considering ADF potential requirements from the outset rather than risking expensive retrofit in the future.

As we emerge from the COVID pandemic, GGL's multi-user port and logistics facility will contribute substantially to Australia's sovereign capability, self-sufficiency, and resilience by creating a strategic supply chain link where it is most needed— in the middle of our vast western coastline.

Yours sincerely



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