



Submission to

**Senate Inquiry into the Impact of Defence Training
Activities and Facilities on Rural and Regional
Communities**

**Townsville City Council
May 2017**

Executive Summary

The Townsville community is proud of the city's reputation as one of Australia's leading defence cities.

Townsville has long been an important enabler of Australia's defence capability, founded upon its strategic location and operational role as a major base for army and air force facilities.

The city has significant scope to host expanded operational and training activity, as has been affirmed in the 2016 Defence White Paper, which commits to new investment in Lavarack Barracks, RAAF Base Townsville and the Townsville Field Training Area.

As well as advancing Australia's Defence objectives, these expanded investments can play a critical role in the economic development of the Townsville region.

Townsville City Council's view is that the key to harnessing the developmental impacts of defence activity in the region lies in establishing strong pathways of communication between Defence decision-making and local Townsville businesses and stakeholders. This would allow the local community fair access to participate in the economic opportunities generated by increased training and operational activity.

Accordingly, this submission recommends:

- the refinement of Defence procurement policy to better allow for engagement with regional firms; and
- the strengthening of consultation with local government and regional stakeholders to best manage the impacts and opportunity of increased training activity.

Townsville City Council appreciates the opportunity to contribute to the current Senate Inquiry and would also be most interested to participate in any future regional Senate Committee hearing on the 'Impact of Defence training activities and facilities on rural and regional communities'.

For further information or questions about this submission please contact:

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1. Defence in Townsville

1.1 Townsville's Role as Australia's Leading 'Garrison' City

Townsville is a unique component of Australia's defence capability: a focus of military heritage, economic strength, strategic location and community support.

It is the largest city in Northern Australia, with key strategic significance arising from proximity to Australia's 'immediate neighbourhood' and the maritime approaches, communication lines and areas of interest within the Asia-Pacific region.

Townsville's location is long been important as a mounting and force projection base for operations in the region and to the north of Australia. It was pivotal, for instance, in the launching of operations north during World War Two, and has been for a variety of major operations since [e.g. Vietnam, East Timor, Solomon Islands].

The 2016 Defence White Paper affirms the ongoing significance of Townsville's role and location, listing a 'secure nearer region encompassing maritime South East Asia and the South Pacific' as among Australia's Strategic Defence Interests.¹

Presently, the city's major defence establishments are Lavarack Barracks, RAAF Base Townsville, the Townsville Field Training Area, and Ross Island. Stationed at Lavarack Barracks, 3rd Brigade is the largest Army combat organisation in the ADF.

Townsville Airport's Northern Australian Aerospace Centre for Excellence (NAACEX) also supports state-of-the-art aviation services and maintenance facilities, while the Port of Townsville has a multi-user, military vessel and cruise ship facility at Berth 10A, enabling the accommodation of Canberra Class (Landing Helicopter Dock) vessels.

It is estimated that approximately 7,500 service men and women are based in Townsville. In all, Defence personnel and their dependents constitute about 15,000 people or 8% of Townsville's population. Defence accounts for over 9% of Gross Regional Product. There are a high number of ex-Defence personnel who remain in Townsville and make up a significant and influential component of the community.

Townsville acknowledges the contribution to Gross Domestic Product from Defence however; it poses the question as to the allocation of expenditure between direct military expenditure (Commonwealth of Australia) and the domestic consumption by military personnel and families.

It is true to observe that the city is proud of its historical and contemporary military role and that there is strong support through the community to sustain and expand Townsville's capability as a base for ADF operations and personnel.

The Townsville and North Queensland community has, for more than 50 years, invested significantly in making Townsville arguably the most accommodating and engaging military community in Australia. In 2013, for instance, the then Commander of 3rd Brigade, Brigadier Roger Noble remarked...

¹ 2016 Defence White Paper, Australian Government, p. 68.

“I’ve seen a lot of garrison towns around the world and in Australia, and the relationship between Townsville and the Brigade is the most positive I’ve seen.”²

1.2 Planned Expansions of Training Activity and Facilities in Townsville

Notwithstanding the magnitude of its current role and contribution, Townsville has been targeted to support greater defence operations, training and basing capability over the next two decades.

The 2016 Defence White Paper signals a ‘focus on investment in bases in northern Australia’, including Darwin and Townsville, to enable Defence to decisively respond to military threats to Australia from northern approaches.³

In all, the following investments and expansion of activities are planned for Defence in Townsville:

- facility upgrades at RAAF Base Townsville to support the operations of F35A Joint Strike Fighter and P-8A Poseidon maritime surveillance and response aircraft;
- accommodation and facility upgrades at Lavarack Barracks;
- development of logistics hub;
- redevelopment of the Townsville Field Training Area.⁴

In particular, the redevelopment of the Townsville Field Training Area will see significant investment to accommodate expanded training activity between Australian and Singaporean forces, as planned under the Australia-Singapore Comprehensive Strategic Partnership. It is envisaged that up to 14,000 personnel annually will participate in training exercises under this agreement. The development of training grounds and supporting infrastructure will take place in two key locations: in North Queensland west of Townsville and the expansion of existing facilities at Shoal Water Bay in Central Queensland.

2. Managing the Impacts of Future Training Activities in Townsville

2.1 Maximising Local Economic Opportunities

The major training activities planned over the next two decades provide significant opportunities to expand local Defence industry capability in the Townsville region.

Currently, a large range of services is procured locally by ADF establishments. These include vehicle maintenance and repair, fuel, medical support, food and hospitality, office supplies, laundry, cleaning, pest control, removals and storage.

However, local business have consistently raised concerns that existing Defence procurement policies and processes are ineffective in promoting small to medium size enterprise (SMEs) local capabilities and capacity.

² *Townsville Bulletin*, 14 December 2013.

³ *2016 Defence White Paper*, Australian Government, p. 72.

⁴ See *2016 Defence White Paper*, pp. 84, 101, and *2016 Integrated Investment Program*, pp.46-47.

Serious consideration should be given to the revision of procurement policies and how they might better work to support local interests and regional economies.

The further development of a local economic or procurement strategy would maximise the service and support opportunities made available by Townsville's projected growth over the next twenty years. Defence procurement policy could be adjusted to allow for better and direct engagement with local firms. In particular, these would include specialised services in equipment and facility maintenance.

Early local business engagement in the pipeline of Defence proposals related to increased training activity will be crucial in maximising greater economic and employment opportunities for the region.

2.2 Strengthening Regional Consultation

Townsville's ongoing role as a national Defence hub, along with the critical role of consultation between all levels of government and local stakeholders, has been recognised in the Townsville City Deal.

Priority must be given to formalising the consultative arrangements between Defence and local government – as envisaged under the City Deal (see Appendix A) – to best manage the risks and opportunities of training expansion in the region.

Formal consultative arrangements will ensure the promotion of Defence industry opportunities to local industry and improve the visibility of local businesses.

In addition, it will also enable the management of new infrastructure demands generated by greater Defence training activities. These will include, for example, the impacts of the Defence over-size vehicles on the local road network. Timely consultation with Townsville City Council will be important to the assessing and approval of applications for such heavy vehicle usage on the road network.

Townsville is a valuable asset for Australia's force capability that must continue to be recognised and strengthened. There are tangible mutual benefits to be attained through Defence investments within the Townsville region: among them are regional economic development and heightened community support for Defence operations.

In concert with the local community, Townsville City Council is extremely supportive of the enhanced training activities planned under the Australia-Singapore Comprehensive Strategic Partnership

Continuing to ensuring strong consultation and the cooperation of Defence, local business and the community will be fundamental to maximising the positive developmental impacts of training activities and base upgrades over the next twenty years.

Attachment A: Defence Hub (City Deals)

The City Deal will improve visibility for local businesses about defence industry investment in Townsville and encourage local business involvement.

Townsville is a defence city and will continue to be an important centre for defence capability. Major activities over the next decade provide opportunities to build local defence industry capability and expertise, including Australian and Singaporean investments into training area facilities; a central office for the Singaporean presence; a Townsville logistics hub; continued investment by Defence in Australia's northern military bases including RAAF Base Townsville; and a pipeline of projects including capital facilities for the F-35A Joint Strike Fighter and P-8a Poseidon Maritime and Response.

The Defence Hub initiative has been designed to:

- Strengthen engagement between the Australian Defence Forces Department of Defence, Defence Industries Queensland and Townsville City Council.
- Improve visibility for local businesses about defence industry investment in Townsville and encourage local business involvement

Defence industry consultation (commitments)

We will strengthen formal consultation between representatives of the Department of Defence, Defence Industries Queensland and a new Townsville Defence Liaison Officer.

Strengthened formal consultation will ensure that Queensland and Townsville City Council Defence Liaison Officer are able to closely engage and promote Defence industry opportunities to local industry.

The Townsville Defence Liaison Officer will also leverage existing support delivered by locally-based AusIndustry (supported by the Centre for Defence Industry Capability) and Queensland Government programs to build a diversified and sustainable local industry.

These consultative opportunities for local industry will promote greater jobs growth, job skilling for the local labour sector and long-term opportunities and support to local businesses.

Defence industry pipeline

Early local business engagement for the pipeline of Defence proposals including F-35A Joint Strike Fighter capital facilities project (from 2016–2026), P-8a Poseidon Maritime and Response capital facilities project (2016–26), enhanced weapons and explosive ordnance facilities at Townsville (from 2016–26), and the development of Townsville Field Training Area under the Australia-Singapore Comprehensive Strategic Partnership. Undertake redevelopment of RAAF Base Townsville as foreshadowed in the Defence White Paper.